

Government That Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

WEST MILFORD TOWNSHIP SCHOOL DISTRICT

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GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the West Milford Township School District

New Jerseyans deserve the best government their tax dollars can provide. Efficiency in government and a common sense approach to the way government does business, both at the state and at the local level, are important to Acting Governor Donald T. DiFrancesco. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. The Local Government Budget Review (LGBR) program was created in 1994 by former Governor Whitman, marking the first time the state worked as closely with towns to examine what is behind those costs. The Local Government Budget Review (LGBR) program's mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service provided by the state at no cost to them. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates, which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, the program was expanded, tripling the number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of the review, team members interviewed each elected official, as well as employees, appointees, members of the public, contractors and any other appropriate individuals. The review teams examined current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relevant information. The review team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness on the part of most, to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
WEST MILFORD TOWNSHIP SCHOOL DISTRICT**

The Local Government Budget Review (LGBR) unit of the New Jersey Department of Treasury conducted an extensive study of the West Milford Township School District in response to a request of the board of education. Some 30 areas were reviewed resulting in recommended cost savings, commendations and/or managerial reform. Several areas and numerous activities were recognized as best practices, along with other commendations cited in the findings. The following is an executive summary of the findings and recommendations and dollar savings, as appropriate:

Comparative Analyses

Three comparable school districts were selected for statistical data to make many of the recommendations contained in this report. Information from other bench marking sources, such as NJ Department of Education publications, was also utilized. The comparison shows that the West Milford Township School District per pupil costs were average or below.

Technology

The review team found that the district is understaffed for personnel to support the various networks and the large number of computers and printers. District officials should consider employing a minimum of two additional computer technicians at value added total cost of about \$110,000 for salaries and benefits.

An analysis of the expenses of five low volume photocopiers revealed that the district could save about \$40,000 utilizing the state cost per copy contract for photocopies and by reducing the number of excess copy machines in some locations.

While West Milford telephone costs were relatively low, a saving of \$5,400 could be achieved by using computer software rather than telephone directory assistance and by using a paging system rather than cellular telephones.

Instruction

The district was commended for having nearly all Medicaid-eligible classified students registered for the Special Education Medicaid Initiative (SEMI) program. The district could have revenue enhancement of \$4,000 by enrolling the remaining students.

The special education programs provided by the West Milford Township School District are extensive and comprehensive. Based on the tuition rates during the 1999-00 school year, the district officials should consider filling half of the available seats in three special education classes with students from neighboring school districts for revenue enhancement of \$213,445.

By opening one self-contained class for autistic students rather than sending six students out-of-district, the district could save \$65,650 in expenses.

With a history of deficit spending in community education, district officials are commended for making adjustments, which resulted in a small profit for the combined childcare, preschool and adult programs in 1999-00. By reducing the secretarial position to half-time, the district could save \$15,000.

Insurance

District officials are commended for using innovative methods to reduce health care costs. An analysis of the health, dental and prescription insurance programs indicates that \$179,758 could be saved by enrolling in the state health benefits program for comparable medical insurance only and by purchasing prescription benefits through a private firm.

Transportation

In transportation, the district is commended for the efforts put forth in route assignments. The review team found a history of adaptive strategies utilized to control costs without sacrificing student safety or parental needs. However, the district buses nearly all students and several of the district elementary schools are located within housing developments where specific areas may not be considered hazardous. The review team identified six non-hazardous bus runs, which could be eliminated for savings of \$35,748. In addition, when purchasing school buses, the district could save \$26,000 by developing competitive bid specifications that are not vendor-specific.

Collective Bargaining Issues

In contract negotiations with employee organizations, district officials should consider the following potential savings:

- ?? Elimination of district payments for criminal history background checks and commercial driver's licenses for drivers would produce potential savings of \$1,200.
- ?? By negotiating a five-step salary guide for bus drivers, beginning at \$13.52 per hour, with 6% increments, the district could achieve potential savings of \$65,788.
- ?? By negotiating to eliminate the positions of assistant head custodian in the elementary schools and the 2nd assistant in the high and middle schools, the district could save \$10,100.
- ?? Negotiating a Tuesday through Saturday shift for custodians in schools that are heavily utilized on weekends would save \$101,481 in overtime expenditures.
- ?? Negotiating a rotating shift of one general maintenance worker and one trade position to a Tuesday through Saturday work schedule would generate \$13,875 in savings.
- ?? By having district employees pay for 20% of the cost for dependent coverage in medical insurance, the district would have potential saving of \$200,000. Similarly, by negotiating a 50% co-pay for dental insurance and the prescription drug plan, the district could save annually \$158,000 and \$11,500 respectively.

District officials were commended for negotiating a CAP for unused sick leave payments, the elimination of a \$1,000 stipend for the Black Seal License and for reducing the longevity payment for custodians to \$150.

**COMPARISON OF BUDGET APPROPRIATION, STATE AID
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE WEST MILFORD TOWNSHIP BOARD OF EDUCATION**

<u>Areas Involving Monetary Recommendations</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Technology			
Hire two additional computer technicians	(\$110,000)		
Utilize the state's cost-per-copy contract for photocopiers	\$40,000		
Implement computer software to eliminate directory assistance charges	\$1,300		
Eliminate cellular phone service and invest in a pager service	\$4,100		
			(\$64,600)
Instruction			
Register all Medicaid-eligible classified students in the SEMI program	\$4,000		
Fill available special education seats with children from neighboring districts	\$213,445		
Open one self-contained class for autistic students instead of sending out-of-district	\$65,650		
Reduce community school secretarial position to half time	\$15,000		
			\$298,095
Insurance			
Enroll in the state's health benefits program for medical insurance coverage	\$179,758		
			\$179,758
Transportation			
Develop competitive bid specifications that are not vendor-specific for school buses	\$26,000		
Eliminate six non-hazardous bus runs	\$35,748		
			\$61,748
Collective Bargaining Issues			
Eliminate district payments for criminal history background checks		\$1,200	
Negotiate a five-step salary guide for bus drivers		\$65,788	
Negotiate to eliminate assistant head custodian and 2nd assistant positions		\$10,100	
Negotiate a Tuesday through Saturday shift for custodians utilized on weekends		\$101,481	
Negotiate a rotating shift of one general maintenance worker and one trade position		\$13,875	
Negotiate employee co-payments for medical, dental and prescription		\$369,500	

COMPARISON OF BUDGET APPROPRIATION, STATE AID AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN THE WEST MILFORD TOWNSHIP BOARD OF EDUCATION

<u>Areas Involving Monetary Recommendations</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Total Recommended Savings	\$475,001	\$561,944	\$475,001
*\$561,944 not included in savings of \$475,001.			
Total Amount Raised for School Tax			\$23,373,426
Savings as a % of School Tax			2%
Total Budget			\$44,423,811
Savings as a % of Budget			1%
Total State Aid			\$16,321,553
Savings as a % of State Aid			3%

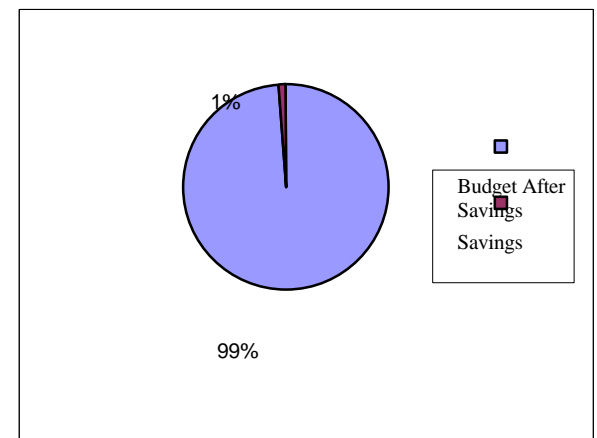
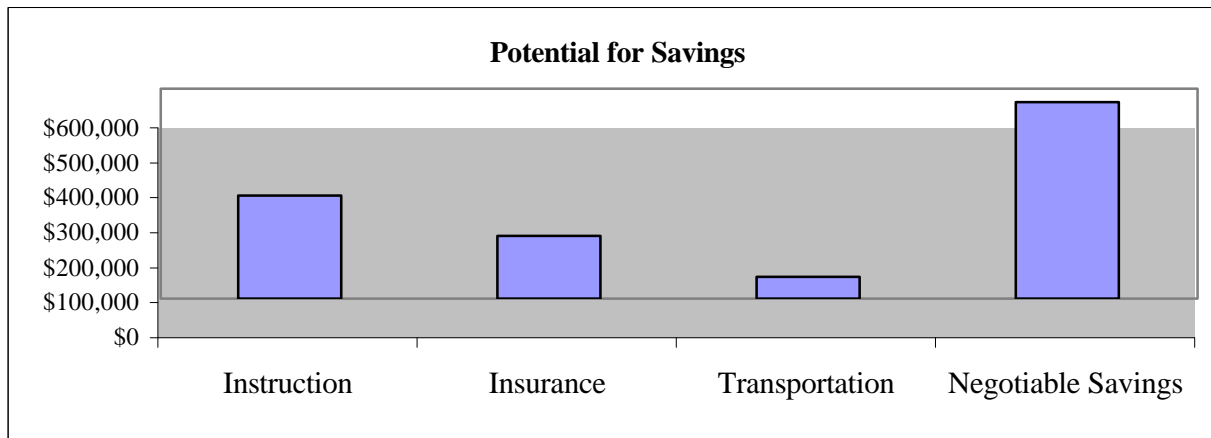


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COMMUNITY OVERVIEW

Geographically West Milford is one of the largest townships in the State of New Jersey, and the largest municipality in Passaic County. The township is located in the northeastern section of Passaic County and, with Greenwood Lake, borders on New York State. The area offers residents and visitors a combination of rural and suburban living. Noted for its natural beauty, it is home to more than 40 lakes, reservoirs, and rivers, set in and around “mountainous” terrain with an abundance of wooded areas and rocky ridges. The highest point in the township is Bearfort Mountain, which rises to a height of 1,409 feet above sea level. The area also has an abundance of wildlife.

The area was originally settled by the Lenape Indians and was noted to be a great area for hunting and fishing. As time passed, the discovery of iron ore coupled with the area’s ample resources of waterways, waterpower and wood for fuel prompted the growth and development of the iron industry as a leading source of economic wealth. The eventual decline of the iron processing industry led to the revitalization and utilization of the area’s primary resources for recreational purposes.

Research indicated that the Township of West Milford underwent a series of changes before evolving into its present format. Once known as New Barbados back in the early 1700’s, the township was a part of Bergen County with the capital located in Hackensack. The existing township was established and incorporated in 1834 comprising an area of approximately 78 square miles. When there was a realignment of the area to form a new county out of portions of the existing Bergen and Essex Counties, West Milford became part of Passaic County in 1837.

The area was sparsely populated during the mid-1800’s, with slightly more than 2,000 residents. This was a period when the mining of iron ore was a thriving industry. Newfoundland served as the first oil pipeline site in the world. The pipeline was added to with an extension crossing Bearfort Mountain. The pipeline basically carried oil from western New York to Pennsylvania. With the arrival of the Newark watershed in the 1920’s taking over an extensive portion of the area, the area’s population declined until 1930 when new growth began, especially after the Second World War. The decline was primarily attributed to the purchasing of watershed land and the building of reservoirs. The watershed occupies approximately 19% (9,675 acres), the state has another 45% (14,987 acres plus a 7,358 acre easement), the county holds about 3% (1,546 acres) and the township has 1% (825 acres). This process led to the restoration of the area’s forests and the filling in of once barren ridges and hillsides with trees and flowers, while providing protection to endangered species and swamp and bog-life. A marked period of population expansion and stabilization was seen in the 1950-70’s on the remaining 32% of the township.

Essentially, the greater portion of the township is located northeast of Route 23 providing easy access and linkage to New York City located about 38 miles away. On the area’s northern fringe is New York State’s Orange County while New Jersey’s Sussex County lies to the west of the Township. West Milford Township is a semi-rural community comprised of seven localities namely: Apshawa, Hewitt, Macopin, Newfoundland, Oak Ridge, Upper Greenwood Lake, and

West Milford Township Center. During the last decade, the township had a nearly 10% population growth bringing it up to an estimated 28,000 residents. The area appears to be on the road to continue its development and growth. With a median age of nearly 33, the area has experienced an increase in the number of senior citizens and has endeavored to provide adequate resources, activities and services to meet their needs.

Until the late sixties the area was primarily a summer recreational community. The area featured a number of hotels during its heyday as a recreational center. These hotels gradually closed their doors. Still maintaining its attraction as a semi-rural community there has been a move towards being a stable year-round residential area. The majority of residents live in single family homes generally situated on one acre or larger plots ranging from log cabins to luxury homes. The median house valuation is above \$165,000. The median family income exceeds \$52,000 annually. Each of the township's key localities has some commercial properties but the majority of the area's shops and stores are concentrated in the town center area.

Generally speaking, the township is a haven for individuals who enjoy the vast outdoors and the life it offers. The area has other activities to include the arts and some cultural events for the social edification and enjoyment of the residents and visitors. Key state attractions in the Hewitt area are the Abram S. State Forest and the Wawayanda State Park. The forest features overlook/viewing points, fishing, hiking trails, and during the winter both hunting and cross country skiing. The State Park has a full range of outdoor water and winter activities and trails.

Township records indicate that the earliest known area school was built in 1847. Later, a one-room schoolhouse followed this school. One teacher taught grades one through eight. West Milford's public school system was founded in June of 1901 to serve the local communities. Over the years the district evolved through several changes while keeping its eye on its primary goal of educating students to strive towards achieving up to their full potential. The district currently encompasses one high school for grades 9-12, a middle school serving grades 7 and 8, and six K-6 elementary schools serving a total district enrollment of more than 4,550 students. The district has more than 398 certified staff with a support staff of at least 230 individuals who are collectively engaged in the effort to provide the student population with a well-rounded comprehensive educational program. The district prides itself on the focused efforts being made to open and maintain clear and timely lines of communication with staff members, students and the total community while encouraging participation in all of the district's endeavors.

Data indicates that the student population has steadily increased over the past eight years adding some 425 students to the district's enrollment. As the district has grown, it has envisioned being responsive to the needs of the advancing technological world and being able to provide its students and staff with the benefits of having fully integrated computer systems functioning throughout the district. The district seeks to maintain its normal class size at or slightly below the State of NJ norms on both the elementary and secondary levels. Additionally, the district offers an adult/community education program to enable interested individuals from in and around the general area to enhance their formal education and life experiences in an educational setting with persons holding similar needs and desires. The district also strives to meet the needs of children and their parents by providing school age child care services.

According to the NJEA Research Bulletin A99-1/March, 2000, Basic Statistical Data, 1999 Edition, West Milford Township School District had an equalized valuation per pupil of \$362,346, which ranked about the 43rd percentile among K-12 school districts with 3,500+ students. The professional staff members per 1,000 pupils were 83.7 compared to an average 84.8 staffing ratio for other similar districts. The West Milford Township equalized school property tax rate in 1999 was \$1.81, which was about the 90th percentile for similar districts. The New Jersey Department of Education (DOE) ranks the district in the FG category of District Factor Groups (DFG), which statewide ranges from A to I. This is the DOE indicator of the socioeconomic status of the citizens of the district.

I. BEST PRACTICES

A very important part of each Local Government Budget Review report is the Best Practices section. During the course of every review, each review team identifies procedures, programs and practices, which are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and possibly save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every area of effective effort. The following are those best practices recognized by the team for their cost and/or service delivery effectiveness.

Cooperative Purchasing

The review team was favorably impressed with the cooperative purchasing practices of the school district for supplies, insurance and fuel. Through a well-planned and efficiently executed system directed by the business administrator, purchase orders per bids were approved for Educational Data Services, Inc. (Essex, Hudson, Passaic Cooperative Bidding) for \$270,000 in general supplies, instructional supplies and building services supplies. Based upon review team experience in other districts, the estimated net savings are about \$60,000 per year.

Health Benefits Incentive Program

The district health insurance incentive program encourages employees with “double” coverage through a spouse to voluntarily forego medical benefits for district net savings of about \$125,000 in 1999-00. The program established last year has exceeded initial projections as the number of participants has climbed to 28. The business office sponsors a benefits fair during the October staff development day. In addition to district service providers, the payroll department provides information on the program to further increase participation. The business administrator estimates projected savings for the 2000-01 school year to be \$145,000.

Electric Deregulation

The district has capitalized on deregulation of natural gas and electricity by cooperatively purchasing these commodities from third party suppliers. The savings for gas have been as high as \$36,000 annually. The district has also joined Alliance for Competitive Energy Services (ACES), a statewide electricity purchase cooperative, and has received competitive rates for district buildings in the GPU area. This is a new program and savings have not yet been calculated.

Energy Conservation Projects

Three years ago the district undertook a lighting retrofit project, which paid for itself and saved the district more than \$100,000 per year in energy costs. Currently, the district is working with Noresco on a heating project. Noresco has analyzed the district’s energy consumption and determined that there are energy savings available to fund some equipment purchases. They

have focused on the High School, Macopin, Marshall Hill, and Maple Road Schools. The payback will be over nine years and is projected to yield an additional \$64,800 in energy savings over the lease period.

Underground Storage Tank (UST) Loan

As per federal regulations, the district replaced several UST's. The district applied for and, after two years of work, received an interest free loan of \$210,147 from the state Economic Development Authority.

Technology Grants

The technology supervisor completed and submitted the next round of applications for an E-rate grant for the 1999-00 school year. The school and libraries division has approved two of the applications for a total of \$37,600. These funds partially will offset costs of the technology implementations. Technology improvements have been on the "cutting edge" particularly in terms of construction of the "state-of-the-art" technology infrastructure for the district.

The superintendent and the technology supervisor have worked to qualify for a \$34,500 grant to fund a significant portion of the cost of installing an Interactive TV room. ITV provides opportunities to increase course offerings through distance learning. Districts can share resources, i.e., staff and students, and simultaneously offer courses that otherwise would be economically infeasible. This will allow courses to run with small enrollments per school whereby several districts collectively form an entire class of 16 to 24 students.

PTA Organizations

The PTA/PTO organizations at the elementary schools have been a major source of financial and volunteer support within the school district. Each of the PTA/PTO's has contributed tens of thousands of dollars each year for a variety of projects, such as playground equipment, stage curtains, etc. The PTA/PTO's through fund raising have also paid for enrichment programs for students during the school day and evening educational experiences for parents. In recent years, the development of parent/student educational activity nights, such as the science and mathematics night, has been a very worthwhile practice. Also, at the secondary school level, booster clubs have supported and enhanced the athletic and music programs by volunteering time and raising money.

Community Organizations

A number of community organizations have been quite supportive of the public schools. The educational foundation program provided mini-grants to the West Milford faculty. Cooperation with the PAL programs and Little League has been most productive. The youth sports programs have benefited from the school district's gym facilities and fields. In turn, the district has been the beneficiary of thousands of dollars of free labor and capital improvements. Projects have included ball field lighting, dugouts, fencing, bleachers and rental money to cover operation costs in some facilities. Finally, senior citizen volunteer programs have been exceptional, especially the Seniors Educationally Enhancing Kids (SEEK) program. The district has had great success with the senior chorus and with the policy of encouraging seniors to use school facilities.

Jointure Transportation

The West Milford School District has worked with county agencies and other districts to coordinate jointures for both summer and regular year transportation. Some summer runs for an extended school year require aides and are, therefore, expensive. West Milford School District, which is located somewhat remotely, has numerous joint agreements with individual school districts, including Bloomingdale, Kinnelon, Pequannock, Pompton Lakes, Ringwood, Wanaque, Ramapo/Indian Hills, Lakeland Regional, Vernon, etc., particularly for the transportation of special education students. Joining with other districts for transportation has saved West Milford more than \$80,000 during the past year.

Extraordinary Aid

West Milford has successfully applied for state reimbursement for extraordinary expenses for students with special education needs. Through the joint efforts of the special services and business offices, the district has been able to qualify for revenues in each of the past two years for program costs exceeding \$40,000 for a number of their students with disabilities. By receiving more than \$150,000, or 95% of the funds requested in 1999-00, the district is able to support its special education programs and students more effectively and to reduce the impact of such expenses on regular education programs.

Special Education Medicaid Initiative

The district has maintained a high level of student registration in the Medicaid program, thus enabling it to receive payments for allowable services provided through special education. Including an introduction to the Medicaid application as part of the child study team evaluation process helps assure that parents are advised of their children's potential eligibility. As a result, 33 of the 37 estimated eligible district students are enrolled in this program.

II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the school district and its taxpayers.

In its study, the review team found the district makes a conscious effort to control costs and to explore areas of cost saving efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted as appropriate in the findings to follow. The district is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control and revenue enhancement.

COMPARATIVE ANALYSES

Many of the recommendations contained in this report are based upon comparative analyses using New Jersey Department of Education data in comparison with districts of similar size and demographics (socioeconomic district factor groups-DFG). The comparative data used in this report was compiled in school year 1998-99, which was the most current data available to use for comparison purposes at the time of the review. Other data sources were district documents, various state agencies, state education associations, publications and private industry.

School districts used for comparison with West Milford Township School District include Ewing Township, Fair Lawn Borough, and Vernon Township. The following table, (Table 1), which is based upon the district Comprehensive Annual Financial Reports (CAFR), compares the revenue sources of the four comparable districts:

Table 1
Comparison of General Fund Revenues for the Fiscal Year Ended June 30, 1999

Revenues								
General Fund	<u>West Milford Township</u>		<u>Ewing Township</u>		<u>Fair Lawn Borough</u>		<u>Vernon Township</u>	
Local Tax Levy	\$26,373,426	57.3%	\$32,924,239	74.4%	\$39,877,179	79.9%	\$20,253,393	39.4%
State Aid	\$16,321,553	35.4%	\$7,643,402	17.3%	\$6,001,391	12.0%	\$27,067,327	52.7%
Federal Aid	\$5,951	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Tuition	\$335,704	0.7%	\$38,828	0.1%	\$306,438	0.6%	\$38,106	0.1%
Interest on Investments	\$182,760	0.4%	\$162,137	0.4%	\$553,033	1.1%	\$0	0.0%
Transportation Fees	\$0	0.0%	\$0	0.0%	\$71,908	0.1%	\$0	0.0%
Building Rentals	\$13,535	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
State Unemployment Fund	\$98,744	0.2%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Miscellaneous	\$131,706	0.3%	\$157,064	0.4%	\$1,313,751	2.6%	\$527,205	1.0%
Total General Fund	\$43,463,379	94.4%	\$40,925,670	92.5%	\$48,123,699	96.5%	\$47,886,031	93.2%
Special Revenue Fund								
State Aid	\$448,465	1.0%	\$541,772	1.2%	\$580,495	1.2%	\$324,834	0.6%
Federal Aid	\$730,046	1.6%	\$1,105,906	2.5%	\$734,107	1.5%	\$819,154	1.6%
Other	\$6,156	0.0%	\$5,803	0.0%	\$13,790	0.0%	\$12,278	0.0%
Total Revenue Fund	\$1,184,667	2.6%	\$1,653,480	3.7%	\$1,328,392	2.7%	\$1,156,266	2.3%
Debt Service Fund								
Local Tax Levy	\$459,852	1.0%	\$1,651,579	3.7%	\$394,184	0.8%	\$1,258,253	2.4%
State Aid	\$192,962	0.4%	\$0	0.0%		0.0%	\$1,001,073	1.9%
Total Debt Service Fund	\$652,814	1.4%	\$1,651,579	3.7%	\$394,184	0.8%	\$2,259,326	4.4%
Fiduciary Fund/Trust Fund								
Contributions	\$694,539	1.5%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other	\$52,886	0.1%	\$5,087	0.0%	\$29,416	0.1%	\$79,066	0.2%
Total Fiduciary Fund	\$747,425	1.6%	\$5,087	0.0%	\$29,416	0.1%	\$79,066	0.2%
Capital Projects								
Other	\$0	0.0%	\$21,935	0.0%	\$0	0.0%	\$0	0.0%
Total Capital Projects	\$0	0.0%	\$21,935	0.0%	\$4,297	0.0%	\$0	0.0%
Total Revenues (All Funds)	\$46,048,284	100%	\$44,257,751	100%	\$49,879,988	100%	\$51,380,689	100%

Source: Districts' CAFR for the fiscal year ended June 30, 1999.

NOTE: State aid in the general fund contains non-budgeted revenue items of on-behalf payment for TPAF Pension Contributions and Reimbursed TPAF Social Security Contributions. These revenues are offset by general fund expenditures shown in Table 2. The TPAF Pension Contributions and Reimbursed TPAF Social Security Contributions are not part of the original budget as voted upon by the district voters and/or supplemented by the board of education, therefore the district is not legally responsible for these revenues and expenditures.

With the exception of Vernon Township, most of the revenue for the general fund in each of the comparison districts comes from local taxes. For West Milford Township School District, 57.3% of the general fund revenue comes from local property taxes. The district also receives state aid amounting to 35.4% of general fund revenue, which is the second highest among the comparison districts.

The following table, (Table 2), compares general fund expenditures based upon data from the districts' Comprehensive Annual Financial Reports (CAFR):

Table 2
Comparison of General Fund Expenditures for the Fiscal Year Ended June 30, 1999

Expenditures	West Milford		Ewing		Fair Lawn		Vernon	
Actual								
Regular Program - Instruction	\$16,831,145	37.9%	\$14,070,645	36.2%	\$17,226,579	35.9%	\$17,440,467	36.0%
Special Education	\$2,460,902	5.5%	\$2,270,104	5.8%	\$2,044,843	4.3%	\$2,747,010	5.7%
Basic Skills-Remedial	\$601,757	1.4%	\$0	0.0%	\$209,502	0.4%	\$671,272	1.4%
Bilingual Education	\$38,837	0.1%	\$43,972	0.1%	\$223,413	0.5%	\$0	0.0%
Vocational Programs	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Sponsored Cocurr. Activities	\$150,868	0.3%	\$64,154	0.2%	\$225,523	0.5%	\$218,812	0.5%
Sponsored Athletics	\$389,815	0.9%	\$513,315	1.3%	\$528,012	1.1%	\$510,761	1.1%
Other Instruction Programs	\$0	0.0%	\$61,051	0.2%	\$0	0.0%	\$0	0.0%
Community Services Program	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Instructional Cost	\$20,473,324	46.1%	\$17,023,241	43.8%	\$20,457,872	42.6%	\$21,588,322	44.5%
Undistributed Exp. – Instruct.	\$1,583,571	3.6%	\$2,590,349	6.7%	\$2,093,041	4.4%	\$1,359,709	2.8%
General Administration	\$855,845	1.9%	\$658,171	1.7%	\$760,409	1.6%	\$703,207	1.4%
School Administration	\$1,579,538	3.6%	\$1,793,342	4.6%	\$2,113,395	4.4%	\$2,445,056	5.0%
Total Administration Cost	\$2,435,383	5.5%	\$2,451,513	6.3%	\$2,873,804	6.0%	\$3,148,263	6.5%
Health Service	\$411,741	0.9%	\$500,015	1.3%	\$515,452	1.1%	\$344,215	0.7%
Attend. & Social Work Serv.	\$82,633	0.2%	\$74,454	0.2%	\$56,556	0.1%	\$0	0.0%
Other Support Service-Student-Related Serv.	\$757,261	1.7%	\$190,139	0.5%	\$728,783	1.5%	\$450,599	0.9%
Other Support Service-Student Extra Service	\$0	0.0%	\$384,145	1.0%	\$27,590	0.1%	\$0	0.0%
Other Support Service-Student-Regular	\$733,413	1.7%	\$572,063	1.5%	\$1,269,804	2.6%	\$1,351,782	2.8%
Other Support Service-Student Special Serv.	\$833,149	1.9%	\$760,359	2.0%	\$1,549,820	3.2%	\$1,124,856	2.3%
Other-Imp. of Inst. Serv.-Staff	\$685,396	1.5%	\$260,304	0.7%	\$665,919	1.4%	\$995,614	2.1%
Media Serv./School Library	\$572,867	1.3%	\$549,365	1.4%	\$846,500	1.8%	\$444,100	0.9%
Instruct. Staff Training Serv.	\$132,879	0.3%	\$176,314	0.5%	\$188,247	0.4%	\$0	0.0%
Operation of Plant	\$3,090,181	7.0%	\$2,930,520	7.5%	\$3,265,071	6.8%	\$1,621,041	3.3%
Maintenance-School Facilities	\$632,390	1.4%	\$0	0.0%	\$874,208	1.8%	\$1,638,718	3.4%
Business & Other Support Service	\$539,720	1.2%	\$648,272	1.7%	\$849,843	1.8%	\$391,223	0.8%
Total Unallocated Benefits	\$4,656,090	10.5%	\$4,173,533	10.7%	\$4,828,855	10.1%	\$5,633,136	11.6%
Total Support Services	\$13,127,721	29.6%	\$11,219,483	28.9%	\$15,666,648	32.6%	\$13,995,284	28.9%
TPAF Pen. & Reimb. Soc. Sec. & Contrib.	\$1,443,154	3.2%	\$1,316,285	3.4%	\$1,699,492	3.5%	\$1,175,416	2.4%
Reimb. TPAF SS Contrib.	\$1,712,656	3.9%	\$1,403,049	3.6%	\$1,657,334	3.5%	\$1,844,388	3.8%
Transportation	\$2,274,780	5.1%	\$1,928,083	5.0%	\$1,323,598	2.8%	\$4,682,200	9.7%
Capital Outlay	\$1,373,221	3.1%	\$845,840	2.2%	\$1,282,225	2.7%	\$473,832	1.0%
Special Schools	\$0	0.0%	\$101,577	0.2%	\$950,760	2.0%	\$74,747	0.2%
Transfer to Charter School	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$162,480	0.3%
Total Gen. Fund Expend.	\$44,423,811	100%	\$38,879,419	100%	\$48,004,774	100%	\$48,504,641	100%
Average Daily Enrollment	4,554		3,656		4,435		5,387	

Source: School districts' 1998-99 CAFR and NJDOE Comparative Spending Guide (2000).

Table 3 illustrates the comparative per pupil costs for selected cost factors for the 1998-99 school year:

Table 3
Analysis of Similar Districts Using Per Pupil Expenditures or Staffing Data**

	<u>West Milford</u>	<u>Ewing</u>	<u>Fair Lawn</u>	<u>Vernon</u>
Total Cost Per Pupil	\$7,932	\$8,469	\$8,787	\$7,234
Total Classroom Instruction	\$5,052	\$5,112	\$5,099	\$4,538
Classroom Salaries & Benefits	\$4,833	\$4,831	\$4,882	\$4,433
Classroom General Supplies & Textbooks	\$197	\$187	\$173	\$105
Classroom Purchased Services & Other	\$22	\$95	\$44	\$0
Total Support Services	\$1,081	\$1,100	\$1,490	\$1,059
Support Services Salaries & Benefits	\$968	\$922	\$1,273	\$991
Total Administrative Cost	\$733	\$918	\$944	\$753
Salaries & Benefits for Administration	\$585	\$707	\$829	\$645
Operations & Maintenance of Plant	\$888	\$853	\$1,021	\$656
Salaries & Benefits for Oper./Maint. of Plant	\$507	\$438	\$649	\$340
Extracurricular Cost	\$133	\$173	\$190	\$152
Equipment	\$112	\$107	\$157	\$32
Median Teacher Salary	\$63,150	\$53,125	\$54,249	\$59,764
Median Support Service Salary	\$63,875	\$54,325	\$71,950	\$65,324
Median Administrator Salary	\$87,187	\$92,545	\$98,505	\$89,270
Comp. of Bud. Gen. Fund Bal. vs. Act.-(Used) or Generated	-\$301,889	\$1,041,049	\$131,143	-\$828,159
Unreserved Gen. Fund Bal. in Excess of 6%	\$0	\$0	\$686,701	\$0
Student/Teacher Ratio	15.0	12.9	13.5	14.7
Student/Support Service Ratio	78.1	78.7	93.9	108.60
Student/Administrator Ratio	205.8	137.2	192.0	254.4
Faculty/Administrator Ratio	16.4	12.4	16.3	19.6
Personal Services-Employee Benefits	16.2%	13.4%	15.5%	17.5%

Source: NJDOE Comparative Spending Guide, March, 2000.

**The total cost per pupil is calculated as the total current expense budget plus certain special revenue funds, particularly early childhood programs, demonstrably effective programs, distance learning network costs and instructional supplement costs. The calculation does not include the local contribution to special revenue, tuition expenditures, interest payments on the lease purchase of buildings, transportation costs, residential costs and judgments against the school district. Also excluded from this per pupil calculation are equipment purchases, facilities acquisition and construction services, expenditures funded by restricted local, state and federal grants, and debt service expenditures.

A comparison of West Milford's per pupil costs with those of Ewing Township, Fair Lawn Borough, and Vernon Township, based on the Comparative Spending Guide, March 2000 as illustrated in Table 3, indicates that West Milford's public school costs in most categories ranked second from the lowest among the comparable schools. The total administrative cost (including salaries and benefits) and extracurricular cost ranked the lowest, while the classroom general supplies and textbooks, and student/teacher ratio ranked the highest among the four comparable school districts. The total cost per pupil, classroom instruction, support services (including services salaries and benefits), median support service salary, and median administrator salary ranked the second from the lowest among the comparable school districts.

In the Comparative Spending Guide West Milford is grouped with 91 K-12 districts with student enrollments over 3,501. Table 4 indicates West Milford's rank in selected cost categories for the school years 1997-98, 1998-99 and 1999-00:

Table 4
Comparison of West Milford Township School District Among 91 School Districts

Ranked Low Cost to High Cost	1997-98		1998-99		1999-00	
	Actual	Ranking	Actual	Ranking	Budget	Ranking
Cost Per Pupil	\$7,772	43	\$7,932	39	\$7,974	31
Classroom Instruction	\$4,353	28	\$5,052	56	\$5,054	45
Classroom Salaries & Benefits	\$4,142	28	\$4,833	61	\$4,836	50
General Supplies & Textbooks	\$189	56	\$197	58	\$196	52
Purchased Services	\$23	38	\$22	33	\$22	27
Support Services	\$970	43	\$1,081	55	\$1,110	43
Support Serv. Salaries & Benefits	\$889	47	\$968	56	\$982	49
Total Administrative Cost	\$613	4	\$733	14	\$725	14
Salaries & Benefits for Admin.	\$500	5	\$585	13	\$604	21
Operations & Maintenance	\$802	25	\$888	40	\$888	30
Sal. & Benefits for Oper./Maint.	\$417	23	\$507	45	\$502	37
Extracurricular Cost	\$118	34	\$133	38	\$159	57
Median Teacher Salary	\$59,950	70	\$63,150	83	\$64,700	87
Median Support Service Salary	\$59,625	45	\$63,875	59	\$65,525	65
Median Administrator Salary	\$82,175	28	\$87,187	43	\$90,132	48
Ranked High to Low Ratio						
Student/Teacher Ratio	14.8	21	15.0	16	15	14
Student/Support Service Ratio	77.4	81	78.1	87	76.5	84
Student/Administrator Ratio	176.9	51	205.8	27	191.6	39
Faculty/Administrator Ratio	14.2	50	16.4	28	15.3	49

Source: 1999 & 2000 NJDOE Comparative Spending Guide
Total of 91 School Districts

West Milford Township was compared to the 91 school districts, grade K-12, ranked low (1) to high (91), using the 1999 and 2000 Comparative Spending Guides published by the New Jersey Department of Education. The cost per pupil for West Milford Township School District was ranked 43rd in 1997-98, 39th in 1978-99 and 31st (budget) in 1999-00. A ranking of above 46 would reflect a higher cost than the midpoint and a ranking of lower than 46 would reflect costs below the midpoint of the 91 districts. An examination of Table 4 reflects West Milford's standing when compared with the 91 like enrollment/grade configuration districts.

The actual total cost per pupil in West Milford Township for 1997-98 was \$7,772 and in 1998-99 the total cost per pupil was \$7,932, while the state average cost for K-12 schools was \$7,951 in 1997-98 and \$8,204 in 1998-99. West Milford Township School District is below the state average cost for K-12 districts by 2.30% in 1997-98 and 3.43% in 1998-99. During these two years, West Milford Township was ranked below the median in most cost categories. The district's general supplies and textbook, support service salaries and benefits and median teacher salary ranked above the median in the past three years.

Using the NJ School Report Card and the Comprehensive Annual Financial Report (CAFR), Table 5 provides additional comparative data used in this report:

Table 5
Comparisons Among Select Districts on General Characteristics

<u>Description</u>	<u>West Milford</u>	<u>Ewing</u>	<u>Fair Lawn</u>	<u>Vernon</u>
County	Passaic	Mercer	Bergen	Sussex
District Type	II	II	II	II
Grades	K-12	K-12	K-12	K-12
District Factor Group	FG	FG	FG	FG
Square Miles	78	15.7	5.4	67.9
Certificated Employees	398	364	341	456
Other Employees	222	186	114	163
Total Employees	620	550	455	619
Number of Schools				
Elementary	6	3	6	3
Junior High School	1	1	2	2
Senior High School	1	1	1	1
Total Schools	8	5	9	6
Average Student Enroll. (98-99)	4,554	3,656	4,435	5,387
Teacher/Student Ratio				
Elementary	1:21	1:18	1:19.03	1:18.06
Junior High	1:14	1:12	1:12.85	1:12.30
Senior High	1:13	1:12	1:12.40	1:10.90
Median Salary				
Faculty	\$63,150	\$53,125	\$55,979	\$59,784
Administrators	\$87,187	\$92,545	\$98,505	\$89,270
Median Years of Experience				
Faculty	17	13	15	16
Administrators	26	25	25	23
School Hours				
Length of Day	6 hrs. 40 min.	6 hrs. 45 min.	6 hrs. 40 min.	6 hrs. 26 min.
Instructional Time	5 hrs. 20 min.	5 hrs. 28 min.	6 hrs. 5 min.	5 hrs. 11 min.
Students per Administrator	205.8	137.9	192.2	256.5
Faculty per Administrator	16.4	12.4	16.3	19.6
SAT Results -Math average score	514	503	523	511
Verbal average score	501	498	505	500
Total	1,015	1,001	1,028	1,011
Average Class Size - High School	18	22	22	18
Student Mobility Rate 1998-99	4.90%	9.4%	4.8%	2.8%
Post-Graduation Plans				
4-yr College/University	51%	42%	64%	56%
2-yr College	23%	29%	25%	18%
Other College	0%	2%	0%	6%
Other Post-Secondary School	8%	1%	4%	0%
Full-time Employment	11%	10%	4%	11%
Other	4%	8%	1%	9%
Unknown	3%	8%	2%	0%

Source: Districts' 1998-99 CAFR and 1998-99 High School Report Cards

ADMINISTRATION

The West Milford Township School District is administered by a superintendent, business administrator/board secretary and about 30 central office and school supervisors and administrators. In addition to the school business administrator, the director of special services, director of education and coordinator of the adult/community school program report directly to the superintendent. The director of special services supervises the child study teams, the gifted and talented programs, crisis intervention and the substance abuse coordinator. The director of education has responsibility for the instructional program, which includes the elementary and secondary principals and instructional supervisors. The superintendent evaluates the school principals, while the director of education evaluates the subject/skill supervisors. The school business administrator has responsibility for the supervisors of data services, operations, food services and transportation, as well as the treasurer of school monies and the auditor.

The high school administration includes a principal and two vice-principals. The middle school has a principal and one vice-principal, while each of the six elementary schools has a principal. There are four K-12 supervisors/coordinators, namely technology, mathematics, social studies and occupational education. There are five teaching supervisors in the areas of physical education, foreign language, fine arts, language arts, and science. Teaching supervisors are responsible for grades 7-12 and usually teach two secondary classes.

At the June 27, 2000 meeting, the board of education abolished the position of supervisor/coordinator of science K-12 and approved job descriptions for the K-6 supervisor of fine arts (art and music) and for 7-12 supervisors of language arts, science, physical education/health and world language.

Staff interviews revealed some reservations about the perceived wisdom of the transition from K-12 to 7-12 supervisory positions. While the difficulties for K-12 supervisors to cover eight schools are recognized, concerns were expressed with the actual and anticipated loss of the subject/skill expertise and supervisory support for K-6, particularly during a period when curricular and testing practices involve significant adjustments. While the phasing out of K-12 supervisors produces some financial savings as 7-12 supervisors normally teach two classes, district officials should monitor any adverse consequences which may become apparent in the near future for specific elementary school subject or skill areas.

The high school and middle school principals and the coordinator of guidance report for 12 months or 220 days per year. The work year for elementary principals, supervisor/coordinators, secondary vice-principals and the athletic director is 206 days, or 11 months. Teaching supervisors and the substance coordinator work 194 days, or 10 months.

The assistant superintendent, a long-time employee of the district, was appointed superintendent in March, 1999, and the business administrator has been in that position for about four years. In May, 1999, the director of education was also appointed from within the district. The school district has also experienced significant turnover in school administrative personnel primarily due to retirements. Most of the principals and vice principals have been in their positions for three years or less.

In the Comparative Spending Guide published annually by the New Jersey Department of Education, total administrative expenditures relate to the four areas of the annual school district budget statement-general administration, school administration, business and other support services (both business and central) and improvement of instruction services. The 1998-99 total administrative cost in the West Milford Township School District was \$733 per pupil with a ranking of 14 out of 91 school districts (ranked low to high).

The comparable figures for total administrative cost for the four comparable districts are presented in the following table:

Total Administrative Cost – Selected K-12 Comparable Districts	1998-99 Actual Per Pupil* Cost	1998-99 % of Total Comparative Cost/Pupil	1998-99 Ranking
Ewing Township	\$918	10.8%	50
Fair Lawn Borough	\$944	10.7%	58
Vernon Township	\$753	10.4%	15
Three District Average	\$872	10.6%	
West Milford Township	\$733	9.2%	14

*Average daily enrollments (ADE). ** Unaudited pupil count.

Administrative salaries and benefits include the full-time, part-time and prorated salaries of superintendents, assistant superintendents, and other general administrators, school business administrators/board secretaries, and other business and central office staff, principals, assistant principals, department chairpersons, supervisors of instruction, curriculum coordinators and related secretarial and clerical staff for these activities. Per pupil costs for salaries and benefits for administration in 1998-99 were \$585 and in 1999-00 the budgeted costs were \$604, which ranked the district 13th and 21st respectively of 91 school districts. The comparisons for the four districts for 1998-99 are as follows:

Salaries and Benefits for Administration – Selected K-12 Comparable Districts	1998-99 Actual Per Pupil Cost (ADE)*	1998-99 % of Total Comparative Cost/Pupil	1998-99 Ranking
Ewing Township	\$707	8.3%	50
Fair Lawn Borough	\$829	9.4%	72
Vernon Township	\$645	8.9%	34
Three-District Average	\$727	8.9%	
West Milford Township	\$585	7.4%	13
Per pupil cost below three-district average	\$142		

*Average daily enrollment. **Unaudited pupil count.

An examination of salary levels indicates that West Milford Township had a median administrative salary in 1998-99 of \$87,187 or \$1,959 lower than the average of \$89,146 for the three comparable districts. However, the West Milford Township median administrative salary was slightly above (\$1,424) the state median K-12 administrative salary of \$85,763 in 1998-99. The administrative experience statewide reportedly was 26 years, or exactly the same as West Milford Township.

Employee benefits in West Milford Township were 16.2% of total salaries compared with a 15.5% average for the three similar districts and a K-12 state median of 15.9% and K-12 state average of 17.9%.

The costs for administrative salaries and benefits are determined by the number of persons employed and the amount or level of salary and benefits provided by the district. As indicated earlier in the comparative analysis, in 1998-99 West Milford Township had a student/administrator ratio of 205.8 students per administrator compared to an average of 195.5 students for the three similar districts and a K-12 New Jersey average of 171.7. Consequently, the review team concludes that on the basis of these ratios the number of administrators in the West Milford Township School District in 1998-99 was slightly less than average in comparisons with the respective per pupil benchmarks.

General Administrative Costs

The review team also examined the West Milford Township general administrative costs in relation to the three other comparable districts. An examination was conducted of the West Milford Township, Ewing Township, Fair Lawn Borough, and Vernon Township Comprehensive Educational Improvement and Financing Act (CEIFA) function 230-Support Services, General Administration-account for fiscal year 1998-99. This function includes expenses associated with the board of education, central administration and school elections. The review revealed the following costs for fiscal year 1998-99 (based on the 6/30/99 Audit Report):

GENERAL ADMINISTRATION CEIFA function 230	West Milford Township	Ewing Township	Fair Lawn Borough	Vernon Township
	Passaic Co.	Mercer Co.	Bergen Co.	Sussex Co.
Salaries	\$435,210	\$188,970	\$371,773	\$380,340
Legal Service	\$81,462	\$51,320	\$63,657	\$30,023
Purchased Prof. Educ. Service	\$58,348	\$77,900	\$0	\$55,660
Other Purchased Prof. Service	\$0	\$0	\$21,312	\$0
Purchased Technical Service	\$11,933	\$2,177	\$3,311	\$0
Communications/Telephone	\$126,476	\$244,359	\$158,893	\$99,378
Other Purchased Services	\$15,888	\$35,280	\$62,402	\$90,048
Supplies and Materials	\$31,151	\$17,270	\$16,401	\$5,279
Judgements Against Districts	\$9,500	\$0	\$31,398	\$0
Miscellaneous	\$85,878	\$40,895	\$30,961	\$42,479
Total	\$855,845	\$658,171	\$760,409	\$703,207
Per Pupil (ADE)* Costs	\$188	\$180	\$171	\$131

*The 1998-99 average daily enrollments for the districts were West Milford Township - 4,554, Ewing Township - 3,656, Fair Lawn Borough - 4,435 and Vernon Township - 5,387 pupils.

An analysis of this data reflects that the general administrative costs for West Milford Township were \$855,845 as compared with \$658,171 for Ewing Township, \$760,409 for Fair Lawn Borough and \$703,207 for Vernon Township. West Milford Township's costs in communication/telephone and other purchased services in this account were recorded as the second lowest and the lowest of the comparative schools. Salaries, legal service, supplies and materials and miscellaneous were the highest among the comparison districts.

Based on the 1998-99 function 230 budget category, the per pupil administrative costs for West Milford Township were \$188 as compared with \$180 for Ewing Township, \$171 for Fair Lawn Borough, and \$131 for Vernon Township school districts, with a three-district average of \$161. In this comparison, the West Milford Township total general administrative per pupil cost was the highest among the four districts. However, line item expenditure differences may in some cases be related to accounting decisions as much as employment or purchasing decisions.

A detailed analysis revealed that purchased technical services were overstated by \$11,562, which did not include the deduction adjustment of \$2,505. Most of the costs that were incorrectly charged to this account were related to food cost (\$7,187), newsletter (\$2,359), folders (\$1,420), and miscellaneous (\$596). According to the Department of Education Accounting Guidelines, the purchased technical service object should include services, which are not regarded as professional, but require basic scientific knowledge and manual skills. These services include data processing services, purchasing and warehousing services, graphic arts and the like.

School Administration

CEIFA Line 240-Support Service, School Administration

School Administration Salaries	West Milford Township	Ewing Township	Fair Lawn Township	Vernon Township
Principals & Vice-Principals	\$908,673	\$999,251	\$1,176,599	\$917,925
Other Salaries	\$0	\$0	\$0	\$507,368
Secretarial & Clerical	\$583,523	\$567,031	\$911,497	\$802,219
Purchased Prof. & Tech. Service	\$64,116	\$38,090	\$0	\$0
Other Purchased Services	\$10,649	\$6,079	\$0	\$0
Supplies & Materials	\$7,701	\$54,625	\$4,224	\$101,900
Other Objects	\$4,876	\$128,265	\$21,075	\$115,644
Total	\$1,579,538	\$1,793,342	\$2,113,395	\$2,445,056
Per Pupil (ADE)*Cost	\$347	\$491	\$477	\$454

*The 1998-99 average daily enrollments for the districts were West Milford Township - 4,554, Ewing Township - 3,656, Fair Lawn Borough - 4,435 and Vernon Township - 5,387 pupils.

As indicated above, West Milford Township's per pupil costs associated with the overall administrative responsibility of individual schools, including the salaries of principals, assistant principals, other supervisory assistants and secretaries are the second lowest of the four districts. The three-district average of \$474 per pupil was \$127 higher than the \$347 West Milford Township cost.

Business and Other Support Services (Line 290)

	West Milford Township	Ewing Township	Fair Lawn Borough	Vernon Township
Salaries	\$363,581	\$524,460	\$722,455	\$350,340
Other Employee Benefits	\$0	\$7,318	\$0	\$0
Purchased Prof. Services	\$17,000	\$0	\$69,998	\$3,295
Purchased Tech. Services	\$68,193	\$11,213	\$0	\$0
Other Purchased Services	\$63,217	\$6,352	\$20,692	\$37,588
Supplies & Materials	\$22,208	\$31,753	\$35,412	\$0
Interest/Lease Purchase Agreements	\$0	\$47,329	\$0	\$0
Miscellaneous	\$5,522	\$19,846	\$1,285	\$0
Total	\$539,720	\$648,271	\$849,843	\$391,223
Per Pupil (ADE)* Cost	\$119	\$177	\$192	\$73

*The 1998-99 average daily enrollments for the districts were West Milford Township - 4,554, Ewing Township - 3,656, Fair Lawn Borough - 4,435 and Vernon Township - 5,387 pupils.

The West Milford Township Business and Other Support Services was second lowest among the comparison districts and at per pupil costs of \$119, was \$28 less than the three-district average of \$147.

The review team examined the CEIFA Function 221 Improvement of Instruction Services. The detailed distribution of salaries among these accounts was not always consistent from district to district; therefore, the data for the four districts should be viewed with caution as supervisors' salaries may be listed under other categories:

Improvement of Instruction Services (Line 221)

	West Milford Township	Ewing Township	Fair Lawn Borough	Vernon Township
Supervisors of Instruction-Salaries	\$650,914	\$260,304	\$587,289	\$668,620
Other Professional Staff	\$0	\$0	\$10,000	\$130,856
Secretarial & Clerical	\$17,446	\$0	\$45,263	\$49,174
Other Salaries	\$0	\$0	\$2,548	\$0
Purchased Prof. Educ. Services	\$0	\$0	\$0	\$146,964
Other Purchased Prof. & Tech. Services	\$5,530	\$0	\$0	\$0
Other Purchased Service	\$4,296	\$0	\$12,642	\$0
Supplies & Materials	\$1,096	\$0	\$4,165	\$0
Other Objects	\$6,113	\$0	\$4,013	\$0
Total	\$685,396	\$260,304	\$665,919	\$995,614
Per Pupil (ADE) Cost	\$151	\$71	\$150	\$185

*The 1998-99 average daily enrollments for the districts were West Milford Township - 4,554, Ewing Township - 3,656, Fair Lawn Borough - 4,435 and Vernon Township - 5,387 pupils.

The review team confirmed that West Milford Township School District has included the prorated salaries of the department chairpersons (supervisors) into the supervisors of instruction account. The district per pupil cost at \$151 was slightly above the three-district average of \$135, but comparable to two of the three school districts.

The following table summarizes the totals of the four CAFR accounts.

	West Milford Township	Ewing Township	Fair Lawn Borough	Vernon Township
General Administration	\$855,845	\$658,171	\$760,409	\$703,207
School Administration	\$1,579,538	\$1,793,342	\$2,113,395	\$2,445,056
Business & Other Support	\$539,720	\$648,271	\$849,843	\$391,223
Improvement of Instruction	\$685,396	\$260,304	\$665,919	\$995,614
Total	\$3,660,499	\$3,360,088	\$4,389,566	\$4,535,100
Per Pupil (ADE) Cost	\$804	\$919	\$990	\$842

*The 1998-99 average daily enrollments for the districts were West Milford Township - 4,554, Ewing Township - 3,656, Fair Lawn Borough - 4,435 and Vernon Township - 5,387 pupils.

The review team examined the purchased service categories in the four line items (221, 230, 240 and 290) which indicated a total cost of \$445,646 or a per pupil cost of \$98 compared to an average of \$87 for the three comparison districts.

West Milford Township School District expended \$804 per pupil on all categories of administration, which was \$113, or 12.3% less than the \$917 three-district average. The review team must conclude that the West Milford administrative and supervisory costs are quite favorable.

TECHNOLOGY

The Educational Technology Plan formally began in the 1993-94 school year. The current plan was adopted in January, 1996, and was most recently updated in March, 1999. The technology assessment was divided into two distinct sections, instructional and administrative technology. A planning committee, which was charged with development of an action plan for technology integration, issued the following recommendations:

1. Library automation in all schools.
2. Upgrade of existing computer labs.
3. Integration of computer technology into the classroom environment.
4. Integration of technology into the fine and practical arts.
5. Integration of computers into the academic special needs areas, and
6. Development of an administrative network.

An educational technology action plan was presented to the board of education for the purpose of initiating a bond referendum. The 1995 bond issue provided about \$440,000 for telecommunications, media center technology and administrative network. Satellite communication downlinks were installed on each school building. Television stands, monitors and VCRs were also provided in each school for viewing satellite programming. A satellite weather project and the high school television studio were also funded. At that time the high school received a small PC based local area network (LAN) and the middle school received a small Macintosh LAN. Each elementary school received six Mac computer workstations. An

IBM mainframe computer (AS 400) with connected peripherals and workstations was installed in central office. The technology department was formally established in 1995 with a director and two computer teachers.

A planning team, which consisted of a representative from each school in the district, a director of technology and a professional consultant, developed an educational technology implementation plan. It was determined that staff training was necessary before introducing additional hardware and software into the classroom environment. In the summer of 1996, fourth grade teachers completed three days of training, which included computer literacy, productivity software, Internet and CD-ROM. Fifth grade teachers received three days of training in the spring of 1997. In the fall of 1997, network administrators received training on the use of an Internet firewall and librarians attended a one-day Internet training session. In the summer of 1999, sixth grade staff received in-service training on related software and computer competencies. Current staff development opportunities are available through the Passaic County Education Technology Training Center (ETTC), the local district in-service program, the local Continuing and Adult Education Program and William Patterson University.

In the 1999 technology plan revision, the committee states that successful implementation will result in achieving the following state technology goals:

1. Five students to one multimedia computer.
2. Every teacher with e-mail and technology fluency.
3. Every classroom with high speed Internet access.
4. Every school with a local area network and at least one distance learning component.
5. Every district to have a website and wide area network.
6. School-based educational technology coordinators; one for each high school and middle school, and at least one for each three elementary schools.

In the elementary schools, each classroom in grades four through six is equipped with four computer workstations and a laser printer. Each library has a half dozen workstations, one laser printer, one color printer and one scanner. Desktop software includes Microsoft Office Suite, Encarta Encyclopedia, Typing Tutorial, Print Shop Deluxe, Internet access and GroupWise for staff e-mail. All workstations and peripherals are connected to a local server with the advantages of network resources. The local area networks (LANs) are connected to the WAN via high-speed T-1 lines, as well as dedicated fiber optic cable.

A comprehensive cable and electric wiring plan exists for the 10 buildings in the district. The plan includes the installation of "clean," i.e., isolated electric power sources for the technology equipment. This minimizes the likelihood of circuit overloads or power reductions, which can damage equipment, software and data. By the summer of 2000, the wide area network (WAN) was installed district-wide with fiber optic cable present in each of the eight district schools. The WAN equipment is located in the high school, which also has a network copier. The high school and central administrative offices are networked on separate network configurations using Ethernet architecture and Novell Netware with Windows 95/98 desktops.

The middle school has three computer laboratories that are equipped with workstations, color printers, laser printers, scanners, etc. Several computers are located in the school administrative offices, as well as the guidance department. The library/media center has workstations and printers, as well as a document scanner. The media center has nine Power PCs and peripherals on an Ethernet network, plus five stand-alone Pentium computers. Internet access is available on only one computer. In addition to software in the elementary schools, middle school software includes Corel WordPerfect Suite and various World Languages. All of the technology equipment is connected to a local server. The LAN is connected to the WAN through dedicated fiber optic cable. Satellite downlink communications and cable access are also available in the media center.

West Milford High School is a two-story expansive building located near the geographic center of the township. Fiber optic networking was installed for connectivity throughout the facility. The high school serves as a central hub for the wide area network and for housing switches, servers and building level resources, such as CD-ROM towers. The campus network includes the administration building, the transportation building, Westbrook Elementary School, the Macopin Middle School and the High School. Fiber optic cable and high speed switching architecture link these facilities.

The high school has 10 networked computer laboratories and two stand-alone labs. Laboratories are typically equipped with workstations, color and laser printer capability and scanners. The library/media center is fully equipped and some computers are now being placed into classrooms. The social studies department has networked computers in each classroom. All rooms in the high school now have a network jack for connection to the network. High school computer software, in addition to the elementary and middle software, includes AutoCAD, PhotoShop, Illustrator, Front Page, and Visual Basic (C++).

The high school media center houses technology on two floors. The lower floor contains the building and campus network resources, which include three CD-ROM towers with seven slots each, campus server, Internet, Internet firewall and wiring closets for the switching architecture and wiring patch panels. The lower library also has 20 Pentium workstations that are connected to the network. The upper library has four computer laboratories and three labs have Internet access. There is also a large presentation area with access to video broadcast capabilities that include satellite downlinks, cable TV, closed circuit TV, as well as access to the cable systems access channel. The library also has a fully automatic card catalogue system.

The district conducted a survey of platform preference throughout the community to assist the planning committee in the development of the long-range plan. The results indicated that the PC platform should become the district platform for the future. However, it will be necessary to support existing Mac and Apple computers until they are no longer useful.

The following table lists the computer workstations by type and school building location.

Schools	486	Pentium	Power PC	Total	6/21/2000 Enrollment	Ratio*
High School	62	177	1	240	1,270	5.3/1
Macopin MS		65	2	67	718	10.7/1
Apshawa		38	7	45	361	8.0/1
Maple Road		50	7	57	405	7.1/1
Marshall Hill		55	7	62	505	8.1/1
Paradise Knoll	1	42	7	50	355	7.1/1
U.G. Lake		55	7	62	476	7.6/1
Westbrook	5	22	7	34	523	15.4/1
Total	68	504	45	617	4,613	7.5/1

*Student/Computer Ratio

The technology goal states that the ratio of one computer workstation for every five students should be achieved by the 2001-02 school year.

The technology plan elementary school network model contains the following equipment:

Instructional/ Classroom	Network Workstation	Network Printers	Network Peripherals
Fourth Grade	Four Pentium II	One Laser Printer	
Fifth Grade	Four Pentium II	One Laser Printer	
Sixth Grade	Four Pentium II	One Laser Printer	
Media Center	Six Pentium II	One Laser Printer One Color DeskJet	One Color Scanner
Resource Center	Two Pentium II	One Laser Printer	
Reading Specialist	One Pentium II	One Laser Printer	
Building Principal	One Pentium II	One Laser Printer	
Principal's Secretary	One Pentium II	One Laser Printer	
Self-contained*	One Pentium II	One Laser Printer	
Basic Skills	One Pentium II	One Laser Printer	

*Equipment needs will be dictated by the Individual Education Plan (IEP).

Local network resources include one file server with local workstation, one seven-bay CD-ROM tower and point-to-point fiber optic or SMDS WAN link. Student/staff workstation media resources include:

- A productivity suite (word processor/spreadsheet/presentation/data base)
- Multi-media encyclopedia
- Typing tutorial program
- Student graphic enhancement software package
- Internet e-mail for professional staff, and
- Internet access.

There are similar models for the middle school and the high school.

Milford Township School District is a charter member of the Passaic County Educational Technology Training Center (ETTC). The district professional staff development regarding technology literacy includes goals, indicators, benchmarks and measures. All professional staff will be able to:

- Understand how to use a network.
- Navigate Windows Desktop Operating System.
- Use a software productivity suite, including a word processor, spreadsheets, databases and presentation software.
- Use the Internet as an instructional tool.

Technology Funding

With the recent defeat of a bond referendum which included a \$1 million proposal for technology infrastructure, West Milford is funding its technology initiative through Distance Learning Network Funds of about \$200,000 per year, the School and Libraries Corporation (E-rate), as well as local budgeted funds, donations, and grants. Funds have been made available through grants from the West Milford Education Foundation and a partnership with Bell Atlantic through Access New Jersey. In March, 2000, a grant was received through the New Jersey Business/Industry/Science Consortium to purchase a digital video camera. District officials have endeavored to utilize any installation, equipment purchasing, Internet access and maintenance discounts which have been available from contractors, suppliers and utilities in installing the network infrastructure for the public schools.

District officials have completed and submitted the next round of E-rate applications for the 1999-00 school year. The school and libraries division has approved two of the applications for a total of \$37,600. These funds partially offset costs of the technology implementations.

The district qualified for a \$34,500 Interactive Television (ITV) grant to partially fund the installation of the \$50,000 ITV room. ITV provides opportunities to increase course offerings through distance learning. Districts can share resources, i.e., staff and students. This will allow courses to run with small enrollments in several districts forming an entire class of 16 to 24 students.

The district has a relationship with the Passaic County Technical Institute for a training center with dynamic distance learning (ITV). The district recently completed an agreement with the local cable TV carrier for the ability to broadcast educational programming on a new video access channel.

The technology spending plan for 1999-00, or Phase I, included 16 projects with an anticipated cost of \$956,000. The district is actually ahead of schedule in installing the infrastructure as specified in the technology plan due somewhat to the decrease per unit in the cost of parts and equipment. In June, 2000, the board awarded private contracts totaling \$199,875 for the purchase and installation of the following technology projects:

HS Instructional Laboratory	\$19,377
HS 486 Laboratory Upgrade	\$45,303
HS Upper Library	\$34,557
HS Lower Library	\$35,433
Special Services	\$23,038
Marshall Hill Additional Section	\$ 6,332
Alpha Smarts	\$19,377

Plan Evaluation

A number of factors are used to evaluate the technology plan implementation. Students and faculty will have easy and equitable access to technology resources. On-going staff development opportunities will be available for all faculty and staff. Professional technical support should be available to deliver timely and reliable service. By providing community access to computer laboratories with a facilitator available, community participation will be integral to the plan. Adequate, on-going funding should be provided for the implementation and maintenance of the technology plan.

Staffing

At the instructional level, there are two computer teachers for six elementary schools and one each for the middle school and the high school. The computer teachers provide the first level of support for the computers by performing relatively simple checks of connectivity and making software adjustments to compensate for regular student use and occasional input errors. The technical support for the technology consists of one engineer, who manages the network and two technicians, who support the desktop computers, printers, etc., and service contracts with various vendors.

Recommendations:

West Milford school officials are commended for the progress which has been made over the past four or five years in installing a quality technology network infrastructure that will serve the district well in the future. Also, efforts have been made to obtain grant funding for technology enhancements. The district has made good progress in making computers and other types of technology available to students and faculty, particularly in grades 4 through 12. Expansion of the program into the primary grades in the near future is warranted.

While the district has provided staff training for computer literacy, there appears to be a further need for staff in-service for integration of technology into the curriculum. The interactive television room located in the high school will be fully operational in the Fall of 2000. Distance learning opportunities need to be developed in cooperation with other institutions and agencies to take advantage of this “state-of-the art” equipment.

The district is understaffed for personnel to support the various networks and the large number of computers and printers. As the warranties expire on an expanding equipment list, additional staff will become necessary to keep the technology functional without wasteful interruptions and “down time.” As a minimum, the district should employ two

additional computer technicians at a total cost of about \$110,000 for salaries and benefits. The district should also explore the availability of college students with computer majors or technical institute students who can work part-time and in summers in maintaining equipment.

Value Added Expense: \$110,000

As the infrastructure installation (network wiring and apparatus) nears completion over the next year or two, some additional funding should be shifted to providing computers at the primary school level and to staffing support and maintenance of the networking equipment, computers, printers, etc. and software. Since technology changes rapidly, district officials should continue to upgrade or replace equipment on a five-year cycle and train staff on an ongoing basis.

Administration Software

In the central office, the administrative network resources include an AS400 server, Novell Netware 4.1/4.2 server, an Internet firewall and the necessary wiring closets. About 20 networked Pentium computers commonly have Corel Suite, Lotus Suite and AS400 software. The total central office and school network contains about 80 workstations.

The nearby transportation building has four workstations in a stand-alone environment which operate a special program requiring Windows NT and including a maintenance program. Three other workstations are connected to the campus network and have a special scheduling program resident.

The district recently purchased the Comprehensive Information Management for Schools III (CIMS) software, a set of electronic management tools which work as a centralized system through an IBM AS400 mainframe (310 model), with networked remote PCs in each school. The purchased financial management applications automate the general ledger, purchasing, accounts payable, fixed asset inventory and payroll processing. There are seven other financial applications available, including budgeting, cash receipts and disbursements and warehouse inventory, etc. The financial applications are interactive, double entry, fund-based encumbrance accounting systems that support the flow of financial information from budgeting through year-end reporting.

The student management applications include student records, scheduling, grading, attendance and optical mark scanning. A library operations system is also available to assist in managing, maintaining and circulating library/media center resources. Student attendance and scheduling data are entered via optic scanner. The software maintains master schedules and course information and schedules students for the current year and the next school year.

One data service supervisor and one data entry person operate the central data processing center. Local software programs have been written to interface with the system for scheduling career day and alumni day, mailing labels, bus passes, sports eligibility ranking reports, etc. The high school and middle school personnel register new students and input data into the system. Until

September, 2000, new elementary school students were registered in central office. At the secondary level, attendance is recorded by an attendance person, while at the elementary school level, the school nurses handle attendance.

Recommendations:

- 1. With the completion of the wide area network and the connection of all schools to it, district officials should evaluate the operations to determine the most effective way to take maximum advantage of the capabilities of the system. In particular, more data now can be entered and reported at the school level. A part of this endeavor should be an evaluation of the adequacy of staffing in the data services function at central office.**
- 2. District officials should consider utilizing electronic preparation and processing of purchase orders through the network. This component, which is already a part of the recently purchased system, would eliminate much paperwork and redundant data entry and could affect secretarial/clerical staffing. This added function reportedly likely would require a hardware (AS/400) upgrade or replacement, or a network resource reconfiguration, such as additional server(s).**

Photocopiers

The West Milford School District owns and/or leases approximately 28 photocopiers within its nine facilities. Most elementary schools have two copiers. The central office contains five copiers, the middle school has five copiers, and the high school has seven copiers. The district is continuously engaged in lease/purchase arrangements with vendors for procurement of photocopy equipment. These arrangements normally run for five years, after which the copiers are typically replaced with new copiers, and the 60-month payment process starts anew. The district also has an option to purchase the photocopier for a dollar and pay for the monthly maintenance cost. The monthly maintenance fee includes parts and supplies for the equipment, with the exception of paper and staples. The average age of the copiers in the district is between one to five years old with the exception of two copiers that are over nine years old.

The review team analyzed available detailed costs and usage associated with nine of the district's copiers in the 1998-99 fiscal year. Based upon this review, it appears that the capacity of many of the copiers procured by the district exceeds its copying requirements. Many of the copiers have capacities of 125,000 to 500,000 copies per month. No copier in the district made more than 200,000 copies in any given month. The lowest available count was 1,584. The overall average monthly per copier volume totaled about 33,540. It was also noted that six copiers with capacities of up to 150,000 copies per month, four of which are high speed models making fewer than 35,000 copies per month on average, are located within the high school building. The review team believes that West Milford School District's copier usage does not warrant the high volume models in place, or the number of copiers in, at least, this one location.

The State of New Jersey has in place a cost per copy contract, which is available for school districts' use, whereby the customer contracts for photocopies, not photocopiers. The contract was awarded to various primary and secondary vendors throughout the state, based upon the anticipated number of monthly copies required, and is intended for copiers making an average of

less than 100,000 copies per month. Under this arrangement, the vendor provides the customer agency with a copier for its use. The agency or school district does not rent, lease or buy the copier, but actually purchases only the photocopies. All equipment, parts and supplies, with the exception of paper and staples, are included in the monthly fee. Users guarantee vendors a minimum amount of copies per month called bandwidth and pay a per copy charge for excess usage. Districts are upgraded to the latest technology every three years.

Following is a comparative analysis of West Milford costs paid in the 1998-99 school year for the nine copiers (which only includes maintenance payments and meter charges) vs. the estimated costs available through the cost per copy contract:

District Contract	XEROX	XEROX	XEROX	XEROX	XEROX	XEROX	XEROX	XEROX	XEROX
Model	5053RFIN	5100A	5665SF	1090K	5830T	1090	5665F	5365FIN	1090
Mfr.'s Rec. Volume/Mo.	65,000	500,000	125,000	400,000	40,000	400,000	125,000	125,000	400,000
Actual Copies Per Month	9,888	192,415	17,163	78,974	7,139	66,087	22,384	27,467	70,147
Allowance Per Month	20,000	58,632	25,000	320	6,500	60,000	60,000	40,000	75,000
Excess Copy Charge	N/A	\$0.00640	\$0.02950	\$0.00700	\$0.04430	\$0.01670	\$0.00990	\$0.01960	\$0.01330
Total Additional Cost		\$856.21	-	\$550.58	\$28.31	\$101.65		-	-
Monthly Charge	\$462.00	\$375.00	\$737.50	\$270.00	\$287.95	\$1,002.00	\$724.00	\$784.00	\$997.50
Total Cost	\$462.00	\$1,231.21	\$737.50	\$820.58	\$316.26	\$1,103.65	\$724.00	\$784.00	\$997.50
Actual Cost Per Copy	\$0.04672	\$0.00640	\$0.04297	\$0.01039	\$0.04430	\$0.01670	\$0.03234	\$0.02854	\$0.01422
State Contract									
Segments	3	8	4	8	2	8	5	5	8
Per Copy Charges	\$0.01390	\$0.02610	\$0.01546	\$0.02610	\$0.01450	\$0.02610	\$0.01390	\$0.01390	\$0.02610
Minimum Copies	7,500	60,000	12,000	60,000	3,500	60,000	20,000	20,000	60,000
District's Copies per Mo.	9,888	192,415	17,163	78,974	7,139	66,087	22,384	27,467	70,147
Excess Copy Charge	\$33.19	\$3,456.03	\$79.82	\$495.22	\$52.77	\$158.87	\$33.14	\$103.79	\$264.84
Basic Charges	\$104.25	\$1,566.00	\$193.40	\$1,566.00	\$50.75	\$1,566.00	\$278.00	\$278.00	\$1,566.00
Total Cost per State Contract	\$137.44	\$5,022.03	\$273.22	\$2,061.22	\$103.52	\$1,724.87	\$311.14	\$381.79	\$1,830.84
Monthly Savings	\$324.56	-	\$464.28	-	\$212.74	-	\$412.86	\$402.21	
Total Savings per Month									\$1,816.65
Total Savings per Year									\$21,799.80

As indicated in the table above, the state cost per copy contract would have been less expensive in five of nine copy machines. In some cases, the district pays more for some of the photocopies when they rent or lease the copier than they do for copies made by the district owned copiers.

Recommendations:

- 1. Selection of the model(s) and number of photocopier machines needed should be predicated upon anticipated usage. The district should determine its anticipated photocopy needs, and take steps to right size the equipment to meet those needs. Based upon volume and number of users, an appropriate number of photocopiers with appropriate capacities should be determined and maintained. The district may be able to eliminate some of its photocopy equipment, and hence, reduce costs. As photocopiers need replacement, the district should first look to reassign under-utilized copiers to meet this need, rather than entering into further costly lease/purchase arrangements.**

2. **The district should consider utilizing the state's cost-per-copy contract in lieu of purchasing or leasing selected photocopy machines. Based upon 1998-99 costs, minimally, the cost per copy savings for five low volume machines are \$1,817 for each month or a total of \$21,799 annually. With 11 low volume copiers and an excess of photocopy machines in some locations, the district should be able to save at least \$40,000.**

Cost Savings: \$40,000

Communications/Telephones

Based on the audit reports, the district expended \$109,117 in 1996-97, \$119,603 in 1997-98 and \$126,476 in 1998-99 for communication/telephone cost charges. The communication/telephone cost increased 9.61% from school year 1996-97 to 1997-98 and 5.75% from school year 1997-98 to 1998-99. The district's telephone and postage costs are charged to this account with the major portion coming from telephone expenses. For the 1998-99 school year, the district expended \$95,302 in telephone expense and \$31,174 in postage.

The district has 114 telephone lines and 11 fax lines in the central office and individual schools. Most of the telephones in the district have voice mail. Twelve pay telephones were installed in schools for student or public use. The district has one T1 phone line (a service that improves the speed of connecting to the Internet) connected to the high school for Internet service. The central office and seven schools were connected to the high school to access the T1 phone line connection to create a network system to save on regular telephone costs. According to the school business administrator, the district has an annual saving in telephone usage of \$21,000 resulting from this network line.

In reviewing the costs associated with the telephone service, the review team also looked at the reimbursement procedure for personal usage by employees. Under the present system, most of the telephones are not restricted in making long district calls. Employees can make long distance calls without going through the district's operator to identify themselves and the number being called. The West Milord School District does not have a written policy concerning usage of its telephones, including personal usage. A staff member is responsible for spot-checking of telephone bills to ascertain if excessive charges are associated with any one line. If so, they look into the matter and discuss it with the appropriate party for reimbursement.

The district is incurring monthly charges for calls to directory assistance. In FY 1998-99, calls to local directory assistance (@ \$.35 per call) totaled \$1,312.20 or 3,752 calls. Completed calls through directory assistance (@ \$.30) totaled \$57.30.

Seventeen cellular phones were issued as follows: bus or van drivers (9), principals (2), superintendent (1), business administrator (1), transportation supervisor (1), special service director (1), athletic director (1), and the school nurse (1). The district is paying a basic charge of \$17 per month for each cellular phone. Cellular phones should be used for emergency calls only. Cellular phones are a convenient but costly means of communication when school or office phones are nearby. We also found phones not being used but still incurring the monthly

service fee. The LGBR recognizes the district may feel the need to be able to communicate with its top administrators at all times, however, the use of pagers or office phones would serve the same function as the cellular phones but at reduced costs.

Besides the cellular phones, 28 pagers were issued to district staff members. Most of the persons who received pagers are custodial and maintenance workers and administrators. Each pager costs the district \$6.13 each month. As compared to the cost of a cellular phone, a pager is less costly, but it was determined to be ineffective and inefficient.

Two years ago, an outside company was hired to conduct a telephone audit to find out whether the telephone company made any excessive or incorrect charges. The district did not pay any fees for this service. However, any savings resulting from the review was to be split between the district and the audit company. The district generated savings of \$2,500 from this review. The review team strongly supports this action.

In order to negotiate additional savings, the school business administrator is investigating local and regional telephone rates to compare with the existing carrier's rate. The team supports this action.

Based upon expenditure comparisons with similar districts in the following table, West Milford Township School District ranks the second lowest among the districts in communications/telephone costs:

	1997-98 Expenditures	1998-99 Expenditures	1998-99 Per Pupil Cost
West Milford	\$119,603	\$126,476	\$28
Ewing	\$145,256	\$256,488	\$70
Fair Lawn	\$169,502	\$158,893	\$36
Vernon	\$100,007	\$99,378	\$18

Recommendations:

- 1. Using the operator for directory assistance calls is convenient, but expensive. The district should consider implementing computer software to search for telephone information for the entire district to eliminate directory assistance charges. The software costs under \$100 and has all information listings within the United States.**

Cost Savings: \$1,300

- 2. Although the West Milford Township School District has managed to keep telephone costs relatively low, with over 600 employees in the district, a formal written telephone use policy should be issued, specifically addressing personal calls. Issuance of the policy will undoubtedly result in some savings through reduced personal usage and/or result in revenue from reimbursements for personal telephone calls.**

3. **It is the position of LGBR that the issuance of cellular phones is not a sound economical practice at this time due to the relatively high expense. Cellular phones are convenient to use and employees may develop a tendency toward unnecessary or extravagant expense. The district should consider terminating most of its cellular phone service and investing in a pager service.**

Cost Savings: \$4,100

INSTRUCTION

The public school system is comprised of a high school with grades 9-12; a middle school with grades 7-8; and six elementary schools with kindergarten through sixth grades. The district's end of the 1999-00 school year report indicates that the district had 4,613 students with another 71 students listed as out-of-district placements. The district web site states that there are generally more than 360 certified staff members serving its students. Additionally, the district has a committed support staff to assist in serving the student population and the community.

At the district level, the director of education has responsibility for the instructional program, which includes the elementary and secondary principals and instructional supervisors. The district has moved toward concentration of supervisors on the secondary level. Elementary principals have the responsibility to coordinate the delivery of the educational services in their respective buildings and to meet state core curriculum standards. One ESL teacher covers grades K-12.

The district calendar is widely distributed to ensure that everyone is aware of district activities, each school's testing schedule and school closings to facilitate individual and family planning and preparation.

West Milford Township High School

The high school is a two-story building with multiple wings housing more than 50 instructional classrooms. It also includes: a three-sectioned gymnasium that seats 1,500 spectators, an 800-seat auditorium, a two-level fully-wired and automated media center that includes four computer laboratories, a TV studio, and a regular complement of administrative offices and faculty areas. Subject areas classes are essentially clustered together. The school has its own planetarium, automotive, electronic and woodworking shops and weight and exercise rooms. There is a photography dark room area in the drafting classroom. The photography class has attracted about 180 students this year. The air-conditioned school cafeteria seats 300-350 persons.

During the 1999-00 school year, the high school's 1,270 students generally operated on a full day schedule from 7:25 a.m. until 2:05 p.m. Over the past few years the school's enrollment has increased from the total of 1,195 students enrolled in 1994-95 to its current count of nearly 1,300. The school usually maintains an average class size of 19 students. The students have regularly scored above the state and national averages in the standardized tests over the past five years.

Securing and maintaining staff in areas of teacher shortage, such as science and mathematics, has recently become problematic with some teachers opting to go to other districts in order to earn more money. This has led to subject area cross training activities in the high school that have enhanced the utilization of existing staff. Additionally, the school has utilized alternate route candidates. However, providing the necessary mentoring has been an added responsibility. Cross training and the utilization of technology become more important for the school and its effort to deliver a quality educational program. There has been an effort to reduce class sizes to meet the needs of lower achieving students. However, the advanced level students are faced with having to function in larger sized classes.

Language diversity was only about 1% Spanish speaking students. The average daily attendance was consistently above the state average, as were the student/faculty and student/administrator ratios.

Interactive TV has been installed in the school and it is being utilized for workshops and in one case, a grant was used to provide instruction for home instruction for a home bound student. The Passaic County Student Council Summit is conducted over the ITV.

The school has a breakfast program starting at 7:00 a.m. for participants who attend study hall. At 10:00 a.m. the breakfast ends and the regular lunch periods begin. Lunch is served from 10 a.m. until 1:30 p.m. There is an outside area with tables and benches where students may eat their lunches. Student volunteers constructed the area by clearing the ground and setting the blocks and tables in place with a local contractor overseeing the work.

The high school administration consists of a principal, two vice-principals each respectively covering two grade levels 9th & 12th and 10th and 11th, the head guidance counselor, an athletic director who is also responsible for student activities, and a substance awareness coordinator. Additionally, there are approximately eight other persons serving as supervisors/departamental chairpersons. Committees/Councils include:

- Representative Advisory Council;
- Attendance Committee;
- Intervention & Referral Services Committee;
- School Improvement; and
- In-Service Professional Development Committee.

The high school does not have an active PTA organization as such, since a large number of parents are involved in booster clubs set up to provide support for a number of the school extracurricular activities. The booster clubs maintain fiscally independent records.

A child care program, School Age Child Care (SACC), is available for West Milford students in grades K-6 through the efforts of the district's Center for Adult/Community Education. A professional pre-school program is also provided before and after school for three & four year-old children.

The school has a bimonthly newsletter that goes out to parents and community members. It highlights areas of school growth, items relating to the staff and, seemingly most important, a calendar noting important dates.

The West Milford Educational Foundation has instituted a Walkway of Honor at the high school. This was done as a means to immortalize school notables and graduates. Customized bricks can be purchased to raise funds to promote support of the district's educational programs. An attractive wallboard has been installed and some outstanding students are among the first honorees.

The high school media center has a staff of a media specialist, a secretary and two-part-time aides. The computer technology teacher is also housed in the media center. The center is automated and wired, plus it has over 14,400 different titles, 98 computers, 13 printers and a variety of other equipment to serve both students and staff. On the center's upper level there are four computer laboratories for writing, interactive and Internet access.

This year one behaviorally disabled (BD) self-contained class was introduced at the high school, thereby, reducing the number of students being sent out of the district for service.

The high school's occupational education program is commended for its major efforts to save the district money. Over the past five years the program has realized more than \$150,000 in savings through three key functions:

- Computer Instruction. Two teachers in this department have been teaching computer applications to district professional and support staff members. Normally this is done without additional compensation for the instructors and it is estimated that the district gained in excess of \$25,000 in savings for the service rendered in business education.
- High School Graphic Arts Program. Annually, this program provides nearly \$30,000 in savings through the printing and graphic related jobs for the district generally and the high school in particular. Reportedly, in the past five years this function has saved the district over \$118,000.
- The High School Woodworking Program. This program has provided several woodworking projects that have enhanced the looks and restored the utility of specific areas in the high school. The estimated value of these items over the past two years has exceeded \$15,000.

The school offers students a full range of seasonal interscholastic athletic programs and teams involving more than 1,000 student participants. Additionally, there are over 50 other extracurricular activities geared towards challenging and meeting student needs and tastes. The school provides an extensive enrichment oriented program to enhance each participating student's potential and personal growth. The 150-member band has grown to the point where it must be divided into two sections, upper and lower grade levels, for instruction and practice. The band trip this year will take 127 members to Scotland. Band booster fund raising activities have helped to cover the cost deficits of those students who are generally unable to pay their respective fares. The school's chorus has also grown considerably to 106 members.

1998-99 West Milford School Sponsored Athletics - Instruction						
	West Milford	% TOTAL Operating Expense	Ewing	Fair Lawn	Vernon	Three District Average
School Sponsored Athletics						
Salaries of Teachers	\$258,619	66%	\$405,533	\$368,713	\$339,051	\$371,099
Purchased Services	\$67,470	17%	\$1,682	\$32,200	\$3,774	\$12,552
Supplies and Materials	\$45,725	12%	\$4,072	\$49,434	\$53,838	\$35,781
Other Objects	\$18,001	5%	\$31	\$77,665	\$114,098	\$63,931
Transfer to Cover Deficit	\$0	0%	\$101,997	\$0	\$0	\$33,999
Total School Sponsored Athletics	\$389,815	100%	\$513,315	\$528,012	\$510,761	\$517,363
Total # of Students	4,554		3,656	4,435	5,387	4,493
Athletic -Instruction Cost Per Pupil	\$85.60		\$140.40	\$119.06	\$94.81	\$115.16
Source: 1998-99 Comprehensive Annual Financial Report (CAFR)						

The overall athletic program cost per pupil of \$85.60 is substantially less than the average cost per pupil for the combined average cost of \$115.16 for the three comparative school districts (Ewing, Fair Lawn and Vernon) for the 1998-99 school year. **The school is to be commended for holding down the per pupil cost of its athletic program.**

The high school's athletic program had 1,011 participants in the 1999-00 school year. There were 25 team activities. Three teams with low numbers of participants but relatively high costs were:

- Bowling 14 students @ \$807 per student;
- Golf 14 students @ \$794 per student; and
- Ski Racing 12 students @ \$944 per student.

Recommendation:

The school should review the feasibility of continuing these activities or address the high cost factors by considering some method of cost sharing. Monies are available through the DOE REDI Program to perform feasibility studies among school districts and local units of government to share services in order to perform them more economically and efficiently.

The district has endeavored to expose its students to a well-rounded instructional program geared to stimulate intellectual growth and to widen their horizons to include other meaningful pursuits. To this end, a wide range of clubs and activities are offered to the students. The cost of these activities at \$33.13 is below the average cost for the three comparison districts at \$37.73.

Macopin Middle School

This is a multi-level building housing more than 40 instructional classrooms/areas that serve the district's seventh and eighth grade students. For the 1999-00 school year, the enrollment was 718 students. The current school year has seen the enrollment increase to 761 students. The building has a cafeteria with a faculty eating area and an adjacent kitchen. The auditorium has a seating capacity of about 365 students with a stage, and a full complement of offices.

Classrooms occupy both main corridors with the 100 series for the seventh grade and the 200 series essentially for the eighth grade, running parallel to each other on either side of the building. Special education classrooms are located in both corridors. Indoors the gymnasium has a new floor, while outside on the upper level, the school has playing fields for its intramural/sports activities. Aside from the normal daily usage, the community uses the school and its grounds during the evenings. The PTA is currently working on turning the courtyard into an environmental instructional setting.

A recent district referendum to construct an addition to the middle school was defeated by a small margin. A follow-up study was conducted into how the district could ease the crowded conditions, existing primarily in the several elementary schools. The study concluded that moving the sixth graders to the middle school would enhance the middle school organizational structure and relieve overcrowding in elementary schools. Pursuing the implementation of the proposed plan would necessarily involve a second referendum for construction of an addition to the middle school.

The school boilers have been replaced and the seven new boilers were being fired on the day of the team visit. This will be a cost effective means to improve the efficiency of the effort to adequately heat the school.

The school has an administrative team composed of a principal, vice-principal and a head guidance counselor. The vice-principal retired and an acting person was placed in the position for the current school year. This vacancy afforded the opportunity for restructuring the school administrative team in the ongoing endeavor to become more effective. Under the new structure, in January, 2001, there will be a dean of students to handle discipline and the director of guidance's responsibilities will be incorporated into the vice-principal's position. This reorganization will also afford the vice-principal more time to address specific guidance duties, which includes scheduling.

Students are organized into "teams" or groups of about 90-100 students with four academic teachers along with the appropriate support specialists. Each grade level has three or four teams depending upon the size of the grade enrollment. The emphasis is on providing team members with concentrated efforts to help each student to develop and strive towards achieving academic growth and success, especially during the students' adolescent period.

A review of the NJ Report Cards provided a number of items worthy of mention here. The average class-size since the 1994-95 school year has remained lower than the state average. For the 1998-99 school year, the school rate was 20 as compared to the state rate of 21.6. The student mobility rate has consistently remained lower than the state average. The school has language diversity of 1% Spanish, 1% German and 1% others with 1% of the students being limited English proficient. The average daily attendance for the past three school years has been slightly below the state average. In 1998-99, the average daily attendance was 94.2%, which is .7% under the state percentage.

The student handbook contains the calendar, procedures and other information for the edification of parents; pertinent policies; a section for students to record assignments; and space for

teacher/parent comments. There is space for advertising to help offset the handbook's cost. New teachers are provided with a comprehensive handbook outlining essential data to assist them in adapting to school regulations and in successfully integrating into school operations.

There is an extensive offering of intramural athletic teams/sports, after-school clubs, field trips, and a variety of cultural activities. The after-school clubs include Kids Against Pollution, Drama, Literary Magazine, Peer Mediators, Art, Computer, Research, Jazz Band, Ski Club and Peer Tutoring. Trips include the 8th grade going to Washington, D.C., the 7th grade going to the Fairview Environmental Center for three days and the clusters from both grades individually going to see Broadway shows. On Friday evenings the school is open for students to socialize. A DJ is provided for entertainment giving students the opportunity to interact with others who are not necessarily their immediate classmates. The school is to be commended for changing its sports program from interscholastic to intramural offerings. This undoubtedly has saved the district a substantial amount of money over several years.

The 8th grade students have the opportunity to leave their artistic mark on the school. As an end of the year project, individually or in a group, they can paint designs or pictures on ceiling tiles and have them placed around the school.

The students opted to give up carrying backpacks through the halls from class to class. This reduced hallway crowding, the obvious back strain experienced by students carrying heavy-laden backpacks and helped alleviate related safety issues.

The school store is manned by parent volunteers and is both well-stocked and profitable. Parents and students are involved in other fund raising endeavors that assist the school in carrying on some of its programs.

K-6 Elementary Schools

The six K-6 elementary schools offer many children their first exposure within a structured environment to learning and both social and emotional interaction with others in their peer group. The district endeavors to provide each child with a basic educational program. Each elementary school has a principal, a nurse and a shared guidance program provided by certified counselors. The elementary schools appear to be operated as neighborhood schools.

The staff, parents/guardians, and students need to be adequately informed of the school rules, policies and procedures. The following are among the documents distributed by the district to the designated parties for this purpose:

- Elementary School Code of Conduct Guide for Parents which must be signed by the student and his/her parent(s);
- Teachers' Handbook – Elementary School Edition;
- Special Education Handbook for Parents;
- Substitute Handbook is provided to help the substitute to adjust and become oriented to this system;

- Sudden Loss Response Plan for Elementary Schools (K-6) to enable all administrative and staff members to help affected individuals in case of sudden tragedies; and
- Guidelines for Faculty Evaluations.

In June, 2000, a lunch/recess task force was convened to address issues raised about the utilization of staff, food service time, the amount of free time after students finish eating, and student discipline on the elementary level. The findings of a multi-district survey led the task force to identify some valid options that should be explored to help improve the lunch period. Currently, only the high and middle schools have teachers on duty during the lunch periods.

Apshawa Elementary School

This single-story building with 23 classrooms, a band and a music room, a library, and a multi-purpose room with a stage, housed 361 students in 1999-00 in grades K-6. This year the enrollment dropped to 340 students, with a reduction in the number of students over the summer. The main office and the principal's, and nurse's offices are located between the main entrance and the library. Kindergarten students attend school for half-day sessions. Four classrooms serve students with disabilities – self-contained severely disabled, moderately disabled, behaviorally disabled, and a resource room. There is an office for the speech therapist. The occupational and physical therapists use the stage area for their activities. The media center has 6,000 books, six sets of encyclopedias, 30 periodical and two newspaper subscriptions.

The language diversity among students in this school spans at least eight different languages being spoken at home comprising 7% of the school's 1998-99 student population. Two percent of the total student body requires service as limited English proficient students. In 2000-01, the school serves as the district's magnet elementary ESL school and has 12 students in the program.

The New Jersey State Report Cards indicated that the school's student average daily attendance for the period 1994-99 consistently exceeded the state average. During the same period in each year, except for 1995-96 when they matched the state average, the school's class size was less than the state average. In 1998-99, the school's average class size was 19 students while the state average was 21.6.

There are 30 certificated staff members, plus five certified and eight non-certified aides. Although the grade level teachers have common preparation periods, the prep time is not utilized for grade level planning or coordination of activities. The school has three 35 minute lunch periods running from 11:30 a.m. to 1:21 p.m.

There are 43 students in basic skills (BSIP). Some students are identified to receive multiple types of service with 38 getting assistance in reading, 28 in math and two in writing.

Maple Road Elementary School

The floor plan for this single-story school is laid out in the same pattern as the Apshawa School. There are approximately 24 classrooms, plus a media center with approximately 6,500 books, a multi-purpose room, a computer room, and a music room. The brass section of the band

practices in the stage area. Additionally, there are portable facilities that are used for the child study team (CST) office and a community preschool program. The playground is located on the upper level next to the school.

Three days a week a contracted physical therapist utilizes space off the area housing the developmental pre-school program, for three and four year old children. The children in this program come from all over the district. They will be reevaluated at the end of the year and, as deemed appropriate, they will be returned to their home school. Eight aides are working with this program. There is a technology office in which a blind student utilizes Braille for a reading lesson.

The New Jersey Department of Education commended one fourth grade teacher for having a Best Practice program for Intergeneration Technology entitled "Over the River and Through the Woods," where the students taught senior citizens how to use technology.

There were 405 students on the rolls as of June, 2000. In comparing the current year's student enrollment of 378 against the previous five school years, this is the lowest enrollment for the school. It is anticipated that the enrollment will likely increase somewhat during the year.

Maple Road students, according to the 1998-99 NJ School Report Cards, at 95% were slightly above the state average (94.9%) for daily attendance; and at the average class size of 21 were slightly below the state average (21.6). English is spoken in 96% of the homes with approximately 2% of the total student population being served as limited English proficient.

The school has programs for interaction with senior citizens. These include adoptive grandparents and media center and other volunteer activities. The state has an environmental center with a nature trail across the road from the school and some seniors travel with the students when using the trail.

The PTO is very active and supportive in promoting programs and activities for the school. The school's PTO has sponsored assembly programs, purchased TVs and VCRs for classrooms, and has generated various other fund raising activities for the benefit of the school. They also provided internal corridor security gates to close off a portion of the school during the evenings when used by community residents and groups. The PTO issued a list of 2000-01 events and dates in the effort to keep parents and the community aware of its activities.

Marshall Hill Elementary School

The classrooms in this school are situated on the main level with the kindergarten classrooms located on a lower level. As of the end of the 1999-00 school year, the enrollment was 505 for the school's pre-K through 6th grades. The school had a considerable increase of 32 students between the October 15, 1998 report card data (473) and the ending figure noted above. The enrollment on the date of the on site visit was up to 518. This constitutes an increase of 78 students over the 1994-95 school year enrollment, which was only 440 students.

The school's classrooms include two kindergarten, three each of the first, third, fifth and sixth grades, plus four rooms each for the second and fourth grades. Three resource staff members

work in one room along with an instructional aide. The speech therapist, BSIP staff, consisting of one full and two half time specialists, and the reading specialist share a room. Music and art also have individual rooms as the result of a realignment of the classrooms. The school's special education class is mainstreamed into the regular classes and its students are provided with in-class support. The multi-purpose room, which has a stage, is used essentially for gym, lunch and assembly. To facilitate the movement of transportation vehicles, recess classes must vacate the playground by 3:00 p.m.

The media center, which is located approximately in the center of the building, has 7,600 books. The center has six computers and is Internet connected.

Several efforts are being made to improve student test score performances, which include training for 3rd and 4th grade teachers on holistic scoring. The school is getting outside help from another district to improve the reading level by employing the "four square" method. Additionally, a 15-minute reading time is being used at the school and there are plans for a 10-minute allotment for math. Currently, there are more than 90 students in the school being served through BSIP.

Lunch is served from 11:35 a.m. until 1:35 p.m. in the multi-purpose room. Formerly, the students had to wait a substantial amount of time to have their class/table called to get served. To reduce the waiting time, the students are brought into the cafeteria at 15-minute intervals.

The average daily attendance (95.8%) in 1998-99 was higher than the state average (94.9%). During the same period, the school's average class size of 22 was slightly higher than the state rate of 21.6. The student mobility rate (9.9% v. 15.5%) was lower than the state rate. The school's ratios for faculty (16:1 v. 13.7:1) and administrators (473:1 v. 330:1) compared favorably with the state's ratios. The school is the ESL center for Pre-Kindergarten students.

Extracurricular activities consist of four programs.

- The Study Buddy Club is held after-school in eight one-hour sessions to provide grade three through six special needs students with assistance doing their homework assignments. Two teachers are assigned to this activity.
- The Pals Program is conducted in 10 one-hour sessions held after-school. Funded by a grant, this provides social skills activities for first and fifth grade at-risk students to focus on building self-esteem, developing problem-solving skills and other related concepts.
- The school newspaper is written, edited and published by fifth and sixth grade students. The Student Council also involves fifth and sixth grade students. In most months, both activities meet in 10 one-hour sessions during the mornings.

Paradise Knoll Elementary School

This is a single-story building housing 355 students in grades K-6. The building has 18 classrooms, a multi-purpose room, the media center with 5,205 books, a kitchen, and offices. For most years since 1994-95 (310 students), the school has experienced growth in enrollment with a current enrollment of 357 students. The class size has been lower than the state average for the past five years. The school's average class size in 1998-99 was 21 compared to the state

average of 21.6. During the current year, the kindergarten enrollments are 25 and 24; the two 2nd grade classes have 25 students each and the two 4th and 6th grade classes average 23 and 22 students respectively. There are three sections of the 1st grade with a total of 53 or an average of 17.6 students per class. The 5th grade also has three sections that average 20.6 per class. The school also has a before school child care program, which has experienced an increase in enrollment.

The average daily attendance for the same period exceeded the state's rate. The 1998-99 data indicated that the school was 96.3% compared to 94.5% for the state average. Two percent of the student population comes from homes where the dominant language is other than English. The school has a reasonably stable population as reflected by a low mobility rate (5.4%).

SEEK (Seniors Educationally Enhancing Kids) has senior citizens working with students to enhance their education experience. A retired media specialist was observed working with students in the media center. At the beginning of the school year, a language and learning disabilities (LLD) special education class with 11 students was brought over from Marshall Hill School.

The school's hours were changed for the 2000-01 school year to an opening time of 9:30 a.m. and a closing time of 3:30 p.m. The new schedule required adjustments by parents, students and school personnel. Prior to the regular school hours, the reading teacher works with students in need of basic skills instruction to supplement their BSIP activities. There are three lunch periods of 35 minutes with a five-minute buffer.

Spanish is offered twice a week to students in the 2nd through 4th grades. The class teacher remains in classroom during each Spanish lesson so that the items covered in the lesson by the Spanish teacher can be followed up in the regular class activities.

Due to school space limitations, the parent conferences that would normally be held during the school day are held in the morning prior to the beginning of school or they are scheduled when either the art or music rooms are available. Since the school is used extensively, security gates have been added to keep the classroom areas and some offices inaccessible and secure, particularly in the evenings.

Parent volunteers operate the copy machines saving staff time while providing a degree of control over the use of the copier and related supplies. The PTO has been very supportive of the school and its activities.

Upper Greenwood Lake Elementary School

This school's layout is basically the same as the Apshawa Elementary School. There were 476 students on the rolls at the end of the 1999-00 school year and this figure dropped to 455 for the current school year. This school had a steady enrollment increase from 1994 through 1998.

The school has three half-day kindergarten sections, two in the morning and one in the afternoon. There is one neurologically impaired class. The sixth grade has four classes, fourth grade has two and the first, second, third, and fifth grades have three classes each. A speech therapist,

reading specialist, three resource teachers plus a resource aide, one full and two part-time BSIP teachers, music, physical education, and part-time art, health and Spanish teachers round out the instructional staff. Grade level teachers have a common preparation period each week to facilitate planning.

Language diversity data shows that about 6% of the school's students are from homes where the language is other than English. In 1998-99, the school's class size was 22 compared to the state's average of 21.6. Currently, the three fifth grade classes average 27.7 students. The 1998-99 report card data indicates that the school ratio exceeded the state ratio for student/faculty (16.3:1 v. 13.7:1) and for the student/administrator ratio (472:1 v. 330:1).

The school library is located near the main office, is Internet connected and has 6,385 books. The fourth grade students utilize Alpha Smart units for learning to use the keyboard. Use of the school's satellite dish has been discontinued in favor of Cable TV that provides more options.

In addition to the efforts to align science and mathematics to state standards, in March and April the school conducted a 10-session Elementary School Proficiency Assessment (ESPA) prep course consisting of one-hour instructional units geared towards improving student test results. Six sessions were devoted to exercises in reading and writing, while the remaining four concentrated on mathematics.

The school has a very active PTA. Over the years, they have provided funding for the playground, grants to teachers, a new stage curtain, TVs and VCRs for the classrooms and about \$17,000 for a fitness center. Volunteers have provided beautification around the school and the local residents added stone work around the PTA's sign located at the school entrance drive.

Westbrook Elementary School

The Westbrook Elementary School is located in the central complex adjacent to the high school. There are two floors in this, the newest elementary school in the district. The school has dividers between most classrooms. This building was designed with an open space concept; however, the distractions experienced over the intervening years have prompted a change. Thus, two dividers have been replaced with permanent walls and further replacements are expected.

The enrollment of 518 students is the highest in the district for a pre-K through 6th grade school. Each year since the 1994-95 school year, the school has had an increase in student population from 464 to 523 at the close of the 1999-00 school year. On the upper/main floor there are 26 classrooms, a media center with 7,000 books, and the main office area. On the lower level the school has a multi-purpose room, (the stage is used for storage), and a music room plus the kitchen and a faculty room. An elevator connects the two floors making the school accessible for handicapped persons.

The three 35-minute lunch periods begin at 11:10 a.m. Two grade levels have lunch during the same time period on a rotating schedule by starting each grade level at 15-minute intervals.

Significant items noted in the New Jersey Report Cards for 1998-99 include:

- The average class size of 23 students exceeds the state average of 21.6;
- 99% of the students are from English speaking homes;
- The student/faculty ratio of 18.8:1 exceeds the state rate of 13.7:1; and
- The school's student/administrator ratio of 516:1 substantially exceeds the state rate of 330:1.

The PTA has been very supportive of the school providing over \$32,000 in gifts since 1997. Items provided include TV equipment, books, furniture and grants to teachers. The playground equipment was another major contribution.

The ball fields are a joint venture with the Little League. The school has an outdoor classroom area with picnic tables, a nature trail and a volleyball court.

School Day

With three school bus tiers used for the transportation of students to school, the schedules of the eight schools are staggered. The high school and middle school comprise the first tier with classes beginning at 7:25 and 7:28 a.m. and ending at 2:05 and 1:51 p.m. During 1999-00, four elementary schools, namely Maple Road, Marshall Hill, Paradise Knoll and Upper Greenwood, were in the second tier and began at 8:45 a.m. and closed at 2:45 p.m. Apshawa and Westbrook elementary schools composed the third tier beginning at 9:30 a.m. and ending at 3:30 p.m. In September, 2000, two other elementary schools will be rotated into the third tier time slot.

In the New Jersey School Report Card, the length of the school day of the six elementary schools in West Milford was six hours and zero minutes compared with a state average of six hours and 21 minutes. The instructional time, or the amount of time per day students are engaged in instructional activities, was listed as five hours and 30 minutes with a state average of the same amount of time. In Macopin Middle School the length of the school day was six hours and 23 minutes compared to a state average of six hours and 21 minutes. Instructional time was five hours and 12 minutes with a state average of five hours and 30 minutes. At West Milford High School the school day was six hours and 40 minutes while the state average for high schools was six hours and 42 minutes. The amount of time per day that students were engaged in instructional activities was five hours and 20 minutes with a state average of five hours and 39 minutes.

Recommendation:

The instructional time per day in the high school was 19 minutes less than the state average and in the middle school it was 18 minutes less than the state average. While the instructional time in the six elementary schools was listed as equivalent to the state average, the length of the school day was 21 minutes less than the state average. School officials should explore options for increasing instructional time, such as providing an instructional activity during one half of the lunch period. Consideration could also be given to the feasibility of increasing the length of the school day by 15 to 20 minutes.

Class Size

The board of education authorizes the superintendent and his staff to plan classes or sections within the following guidelines:

West Milford Class Size Guidelines

Grade or Subject	Minimum	Desired # of Students	Maximum
Pre-Kindergarten	10	10	12
Transitional First	10	10	12
Kindergarten-3	18	20-23	25*
4-6	20	20-25	28
7-8	20	25	28
9-12	10	25	28

*Kindergarten may reach the maximum limit of 30 when a teacher aide is hired.

The West Milford Township School District has elementary school attendance zones for students, which are organized on the neighborhood school concept, which keeps most elementary school children reasonably close to home. However, due to the reduced geographic areas and changing residential patterns, it requires periodic redistricting of attendance zones to maintain an acceptable balance in class sizes. Reportedly the necessity for frequent redistricting has “blurred” the boundaries for school attendance zones.

The review team examined the number of students per regular class, exclusive of special education self-contained classes, for grades K through six as of June 21, 2000. The range of class sizes and averages per school are presented in the following table.

Elementary School	Average Class Size	Range in Class Size	Total Students
Apshawa	20.6	13* to 27	361
Maple Road	19.7	13 to 28	405
Marshall Hill	20.7	15 to 24	505
Paradise Knoll	21.4	16 to 27	355
Upper Greenwood Lake	22.2	18 to 27	476
Westbrook	21.1	18 to 25	523
Total K-6			2,625**

*Transitional first grade.

**Includes 128 special education students in self-contained classes that are not included in the class averages or ranges above. Special education is addressed in the special education section of this report.

The number of class sections per grade ranged from two to three in the smaller elementary schools and from three to four in the larger schools. There were nine classes in K-3 with enrollments of slightly less than the minimum of 18 students and two classes in grades four to six with 19 students, one below the 20 minimum. Except for the transitional first grade, which had 13 students, none of the classes exceeded the maximum ranges. It appears likely that these modest variations from the guidelines are due to children moving in and out of the district, or perhaps within the school district during the school year. The review team concludes that the school class averages, which varied from 20 to 22 pupils, are reasonably cost effective.

Instructional Costs

In the DOE Comparative Spending Guide, March, 2000, among the 91 school districts with enrollments of 3,500+ students, West Milford Township School District ranked 56th with total classroom instructional costs per pupil of \$5,052 in 1998-99, compared with a statewide K-12 per pupil average of \$4,844. West Milford Township also ranked 61st in classroom salaries and

benefits with per pupil costs of \$4,833 compared with a statewide average of \$4,575. Classroom salaries include the amounts paid to district personnel for regular, special education, basic skills, bilingual and other instructional programs. It includes the salaries and benefits of teachers, substitutes and aides. Classroom general supplies and textbooks ranked 58th at \$197 per pupil, compared to a K-12 state average of \$203. Classroom purchased services ranked 33rd at \$22, which is less than the K-12 state average of \$65 per pupil.

Instructional costs are determined primarily by: 1) the number of staff, and 2) the salary levels/fringe benefits that are provided by the district. Salary levels and fringe benefits are discussed under the Collective Bargaining section of this review.

According to the NJEA Research Bulletin A98-1/February, 1999 Basic Statistical Data 1998, the West Milford Township School District had a professional staff ratio of 83.7 per 1,000 pupils, compared to a ratio of 84.8 for K-12 school districts with 3,500+ students. Therefore, the West Milford Township staff/student ratio was about average for districts of similar size and type.

Bilingual & ESL

The district has a very low population of students needing assistance due to language deficiencies. The district does not have a Bilingual program. There is one district-wide English-as-a-Second-Language (ESL) teacher, who has 15 students. The elementary ESL students in the 1st through the 6th grades are housed at Apshawa School, and Paradise Knoll School houses any kindergarten/transitional first grade students. Other students are located at the middle and high schools. As of September, 2000, two of the students at Apshawa required individualized help. As the term progresses, the number of students in the program may fluctuate according to student mobility and individual student needs. Some new students may be identified, while some students may reach a level of proficiency that warrants their relocation to their home school.

Special Education

The special education programs provided by West Milford are extensive and comprehensive. According to data compiled for the statistical report submitted to the State Department of Education as part of the most recent ASSA (October, 1999), there were 560 students with disabilities who were found eligible for special education by a child study team and an additional 175 students who were found eligible for speech-language services. Of that total, 541 (including 12 students who were also in a shared-time program at Morris County Vocational) were participating in educational programs within the district, while 36 were receiving services in other settings.

A full array of educational placement options, ranging from supported regular education to resource programs, both in-class and pullout, to self-contained special education classes, comprise the in-district settings. For the 1999-00 school year, the district employed 37 full-time certificated special education classroom staff (not including three positions which were staffed by substitutes) and three part-time special education teachers. Inclusion through the use of individual aides and other types of support is found throughout the district's eight schools. As many as 41 special education aides helped students with disabilities in the district during the past school year.

The number of students enrolled, as well as the rate of students classified as educationally disabled by a child study team, for West Milford and three comparison districts are shown below.

	Resident Enrollment						% CST Classified				
	1995	1996	1997	1998	1999		1995	1996	1997	1998	1999
West Milford	4,391	4,424	4,578	4,591	4,660		10	10.7	11.2	11.8	12.3
Ewing	3,576	3,704	3,769	3,769	3,911		16.6	16.6	16.7	16.6	16.5
Fair Lawn	4,192	4,350	4,432	4,451	4,610		13.5	13.3	12.7	12.9	13.5
Vernon	5,237	5,327	5,336	5,396	5,440		8.9	8.8	9.3	9.4	9.3
State Average							11.7	12	12.1	12.4	12.8

Source: Department of Education, Office of Special Education Programs.

As indicated in the table, West Milford has consistently been the second largest district in this group (in student enrollment) and third in terms of classification rate. Although the rate grew from 10% to 12.3% of the total district enrollment between 1995 and 1999, it remained below the current statewide average of 12.8%. Enrollment of students in the district, grades PreK-12, is shown below for the same time period.

West Milford	Special Education as Percent of Enrollment					% Change 1995-99
	1995	1996	1997	1998	1999	
Enrollment - General Ed. Students	3,952	3,951	4,065	4,033.5	4,098	3.7%
Enrollment - Students with Disabilities	439	473	513	557.5	562	28.0%
Enrollment - All Students	4,391	4,424	4,578	4,591	4,660	6.1%

Source: Department of Education, Office of Special Education Programs.

From the October, 1999 ASSA data, the classified (special education) students on roll in the district are summarized below according to the New Jersey Department of Education “tier” system. Used as a basis for determining state special education aid to school districts, the tiers provide a general index of the severity of disability. Tiers II, III, and IV relate to a student’s designated special education classification category. Tier I is not shown because it is a duplicate count of the number of students receiving related services, such as speech-language services, physical and/or occupational therapy and counseling, as specified in their individualized education program (IEP).

Special Education	Resident Enrollment
TIER II	474
TIER III	51
TIER IV	35
Total	560

In terms of self-contained special education classes operated within the district, the schools and programs are listed below:

School	Grades	Class Type	Enrollment	Aide	Maximum	Space
Apshawa	K-6	LLD -Severe	10	Y	9 to 12	1 to 2
		LLD-M/M	15	Y	13 to 16	1
		BD	7	Y*	10 to 12	3 to 5
Maple Road	PreK-6	Presch. Dis.	12	Y(2)	9 to 12	0
		Presch. Dis.	8	Y	8	0
		Presch. Dis.	12	Y(3)*	9 to 12	0
		Presch. Dis.	11	Y(2)	9 to 12	1
		MD	7	Y(6)*	9 to 12	2 to 5
Marshall Hill	K-6	LLD-Severe	8	Y	9 to 12	1 to 4
Paradise Knoll	K-6	LLD-Severe	12	Y	9 to 12	0
Upper Greenwood Lake	K-6	LLD-Severe	10	Y	9 to 12	1 to 2
Westbrook	K-6	LLD-M/M	16	Y	11 to 16	0
Macopin	7-8	LLD-M/M	12	Y	11 to 16	1 to 4
		LLD-Severe	8	Y**	9 to 12	1 to 4
		COG.-Mod.	6	N	10	1 to 4
		BD	6	Y	10 to 12	4 to 6
High School	9-12	COG.-Mod.	6	Y	11 to 13	5 to 7
			*-includes 1:1 aide(s)		**-plus 1:1 LPN	

Class Type Abbreviations:

BD: Behavioral Disabilities

Presch. Dis.: Preschool Disabilities

COG.-Mod: Cognitive, Moderate Disabilities

LLD-Severe: Learning &/or Language Disabilities, Severe

LLD-M/M: Learning &/or Language Disabilities Mild to Moderate

MD: Multiple Disabilities

In general, the special education classes utilize district resources very efficiently, with teachers and aides assigned where needed. Classes are near capacity in most categories, with tuition students helping to sustain programs in the district where there are only a few West Milford students. This is particularly the case in the Cognitive – Moderate classes at Macopin and the High School.

Recommendation:

Grouping students in classes to maximize the use of non-certified staff (aides) might reduce the number of individual or classroom aides required to meet all students' needs. One class in which the number of individual aides appears very high is the MD class at Maple Road. While the IEP for each student must be followed, examining the possibility of aides working with more than one student, at least for some activities or parts of the school day, might enable staff to be utilized more efficiently.

Support Staff

The West Milford special services staff includes a director of special services and four complete child study teams (CST), each consisting of a school psychologist, a learning disabilities

teacher/consultant (LDT/C), and a school social worker. Additionally, there is another full-time LDT/C, and one of the psychologists acts as a team coordinator. Clerical duties for the special services department are managed by one secretary in the district administrative building, one in the high school, one in the middle school, and one for the elementary school teams.

Child study team personnel are responsible for conducting evaluations to determine the eligibility of students for special education programs and related services. One child study team member also serves on the Pupil Assistance Committee (PAC) at each school to provide expertise regarding general education students who may be experiencing difficulties. These committees review referral information and make recommendations to help the student without requiring an evaluation by the child study team or programming through special education, where appropriate, such as services under Section 504 of the Rehabilitation Act.

Eight specialists provide speech/language as a related service to students with disabilities who require it, and they work with students who are designated as “eligible for speech/language services.” The district’s special education statistical report, completed in December, 1999, showed 169 students in the latter category and 236 additional students with disabilities receiving speech. The ratio of enrollment-to-speech personnel in the district is lower than the statewide average, which would equate to seven speech/language specialists for West Milford. The percentage of students categorized as eligible for speech/language services (3.8) is higher than the statewide rate (2.5), necessitating more staff.

The district provides other related services with a staff consisting of two physical therapists, one occupational therapist, and a certified occupational therapy assistant (COTA). Other staff members in the special services department include three crisis counselors, who are assigned to serve the elementary school population, and a substance abuse counselor, who is housed in the high school.

Special Education Revenues

State Aid

As part of the district’s state school aid, special education funding for West Milford for the past five years is shown below.

1995-96	1996-97	1997-98	1998-99	1999-00
\$1,479,015	\$1,479,015	\$1,617,930	\$1,985,746	\$2,285,357

From 1995-96 through 1998-99, there was an increase of 34% in state aid, which is consistent with the increase in district expenditures in special education over the same period (28%). Additionally, the district received \$150,870 for the 1999-00 school year in response to its application for “Extraordinary Aid” for eight students, each of whose special education program costs exceeded \$40,000. That total represents 95% of the amount of the application, whereas other districts received less than 50%. West Milford was also one of only two districts in Passaic County to have qualified for this form of aid for 1998-99, receiving \$83,737.

IDEA, Part B Flow-Through Funds

Each year West Milford applies for its full allocation of Federal flow-through funds under the Individuals with Disabilities Education Act (IDEA). The district has typically used these funds to support additional costs associated with special education for staff salaries, related services, staff development, supplies and equipment, and special education tuition.

For fiscal year 2000, the district designated its IDEA, Part B Basic flow-through funds for salaries and employee benefits for four child study team members, for services to students with disabilities in nonpublic schools, and for the purchase of computers. A portion of the funds was used for staff development costs associated with special education and for tuition expenses for students with disabilities. The district's capacity building portion (\$13,320) was used to provide a physical therapist, while the preschool portion (\$25,391) helped pay the salary and benefits for a preschool teacher and for instructional supplies. For the 2001 fiscal year, the IDEA Part B application (total allocation of \$497,158) includes similar categories in the distribution of funds as was contained in the FY2000 application, but with a substantially greater proportion for tuition.

Documents associated with the IDEA, Part B flow-through funds were on file and supported the use of the allotted grant for activities addressing students with special education needs.

Special Education Medicaid Initiative (SEMI)

The Special Education Medicaid Initiative program provides an opportunity for districts to file claims and increase revenue by receiving payment for certain services to eligible students with disabilities. Psychological counseling, nursing services, physical therapy, occupational therapy, speech/language services, and various evaluations are among the reimbursable activities.

West Milford began participating in SEMI during the 1995-96 school year. Parents of students being evaluated by the child study team are routinely encouraged to register for Medicaid.

Using estimates from the New Jersey Department of Education, approximately 37 students with disabilities in the district would be eligible based on the "at-risk" formula. This compares favorably with the 33 students with disabilities actually registered as eligible for Medicaid. Of that group, 15 were recorded as participating in some type of activity covered by the program, most commonly physical therapy, occupational therapy, or speech/language services, from January through April, 2000.

SEMI Payments

FY1996	FY1997	FY1998	FY1999	FY2000*	TOTAL
\$2,684	\$15,689	\$9,073	\$5,951	\$9,911	\$43,308

Sources: District Comprehensive Annual Financial Reports

*New Jersey Department of the Treasury

Recently, the state applied and received approval for a revised schedule of rates for Medicaid payments. This will result in an increase in the reimbursements to districts. In addition, a new Medicaid program, "Early Periodic Screening and Diagnostic Treatment," (EPSDT) will allow

districts to receive partial reimbursement for administrative expenses related to the special education program. Taking advantage of these two current developments will enable West Milford to benefit even more from revenue enhancement available through SEMI.

Recommendation:

The district is commended for having nearly all Medicaid-eligible students with disabilities registered for the SEMI program and for reaping the benefits of this reimbursement since its inception. With the new anticipated state formula for payment, each student should account for at least \$1,000 in revenue, even if only for the annual IEP. The review team recommends that the district attempt to identify those students who are eligible but not registered for Medicaid and include them in the program, resulting in a potential revenue increase of \$4,000.

Revenue Enhancement: \$4,000

Tuition

As previously noted, West Milford welcomes students with disabilities from a number of neighboring school districts into its special education classes on a tuition basis. Most prominently, the Cognitively Impaired – Moderate (formerly labeled Trainable Mentally Retarded) program has drawn students from other districts. Tuition for these students helps to support the program and reduces reliance on local funds to provide for students with these needs. In addition, West Milford students are kept within the home district. The table below shows the tuition revenue received by the district for students in special education programs for the past three years.

1997-98	1998-99	(Unaudited) 1999-00
\$261,791	\$260,501	\$203,266

Recommendation:

The district is commended for accepting tuition students into its self-contained classes for a number of years, thus adding revenue.

The district should attempt to increase enrollment in those self-contained special education classes that have space. A consolidated effort among neighboring districts might result in appropriate programs to meet the needs of students in a coordinated and cost-effective manner. The review team recognizes that differences in age grouping and other circumstances may preclude the district from filling every available special education classroom to allowable capacity or that special situations may exist as a result of analysis by the child study teams. The team also realizes that “allowable capacity” means the “maximum” number of students permitted by the administrative code, not a “recommended” number of students. However, it is imperative that the district continues to scrutinize this matter each year to be certain that resources within the district are utilized to the fullest.

Based on the rates charged during the 1999-00 school year, if tuition students occupy even half of the available seats in the two BD classes (six students total), the MD class at Maple Road (two students), and the Cognitive-Moderate class at the high school (four students), the district could receive revenue of \$213,445 for those 12 additional students.

Revenue Enhancement: \$213,445

Special Education Expenditures

District costs for special education instruction increased 27% from 1996 to 1999, with annual increases during that time ranging from 5.6% to 13.6%. However, the percentage of total district expenditures attributed to special education instruction stayed in a narrow range, between 5.1% in 1995-96 and 5.6% in 1997-98. In the comparison districts, special education represented between 3.8% and 6.2% of the total district expenditures during the 1998-99 and 1999-00 school years, with West Milford next to the lowest in that ratio for the more recent year.

Summary of Special Education Expenditures: 1995-96 through 1998-99					
	1995-96	1996-97	1997-98	1998-99	% Change 1995-98
Neurologically Impaired	\$375,363	\$427,584	\$404,693	\$333,928	-11%
Perceptually Impaired	\$201,397	\$225,754	\$223,144	\$240,189	19%
Emotionally Disturbed	\$83,618	\$127,885	\$129,441	\$147,443	76%
MR-Educable/Cognitively Impaired - Mild	\$0	\$17,783	\$18,461	\$19,139	100%
MR-Trainable/Cognitively Impaired - Moderate	\$218,059	\$210,049	\$210,440	\$180,636	-17%
Visually Handicapped	\$0	\$6,545	\$15,130	\$19,139	100%
Multiply Handicapped	\$25,023	\$71,483	\$66,991	\$153,822	515%
Orthopedically Handicapped	\$32,773	\$31,649	\$31,353	\$44,791	40%
Resource Room	\$864,364	\$963,382	\$1,048,961	\$1,162,480	34%
Pre-School Handicapped	\$131,120	\$129,325	\$168,599	\$159,335	22%
Supplemental Instruction	\$1,050	\$0	\$0	\$0	-100%
Total Special Education Instruction	\$1,932,767	\$2,211,439	\$2,317,213	\$2,460,902	27%
Per Pupil Expenditures (Special Education)	\$4,086	\$4,311	\$4,156	\$4,379	7%
Speech Instruction	\$490,380	\$468,491	\$703,559	\$757,261	54%
Other Support Services – Special Education	\$785,612	\$813,183	\$874,671	\$833,149	6%
Undistributed Expenditures – Instruction (Sp. Ed. Tuition)	\$1,029,413	\$1,163,673	\$1,365,953	\$1,505,779	46%
Special Education Transportation	\$263,736	\$415,482	\$467,724	\$499,387	89%

Source: Comprehensive Annual Financial Report through June 30, 1999.

*Speech was included in Special Education Instruction in 1996 & 1997, then was listed under “Other Support Services-Students-Related Services” in 1998 & 1999.

The most notable change within special education expenditures for West Milford over the four-year period, 1995-96 to 1998-99, was in classes designated Multiply Handicapped/Multiple Disabilities (515% increase). Yet, there was also a decrease of 17% in program costs for students with Trainable Retarded/Cognitively Impaired – Moderate classifications, and a decrease of 11% in classes designated Neurologically Impaired. Tuition expenses for students requiring placement outside the district increased significantly (46%) over the four years, despite efforts to provide and expand programs within the district.

Another prominent area within special education is programming for students designated autistic. In December, 1999, there were 10 district students between the ages of six years and eight years with that classification. In response to this growing need, discussions have begun concerning the benefits of a district program to serve these students.

Recommendation:

District officials should consider moving forward with the plan under discussion to open one autistic class, with potential savings of \$65,650, as shown below.

The specific needs of individual students would have to be considered in assessing the feasibility of this program. Also, suitable facilities within the district would have to be located and prepared. Based on a study ("Advisory Committee on School District Housing Report, 2000") conducted by the district in June, 2000, classroom space is expected to be available in three elementary schools (Apshawa, Maple Road, and Upper Greenwood Lake) for 2000-01. Room utilization in subsequent years will depend on changes in enrollment and on decisions made by the district to address growth projections for the future.

Projected class costs include the salaries and benefits of one teacher, two classroom aides, and one individual (1:1) aide. Other savings might be found in transportation, as the students should not have to travel as far as they would to another public school district or to a private school.

Estimated per student tuition for private school autistic programs: \$35,000. The program cost for six students placed out-of-district therefore would be \$210,000.

The costs of an in-district autistic program for six students are estimated as:

Teacher salary & benefits	\$54,460
2 classroom aides, salaries & benefits	\$53,260
1 individual aide, salary & benefits	\$26,630
Instructional supplies & materials	<u>\$10,000</u>
TOTAL	\$144,350

The review team calculates cost saving of \$65,650 by offering one autistic class within the district.

Cost Savings: \$65,650

Guidance

Counseling services are available to all grade levels in the West Milford School District. The primary objectives of the program are to assist children in becoming better adjusted to school and community; and provide vocational, educational, and personal information so that students can make appropriate decisions about the future. These objectives are achieved through

individual and small group counseling (problem oriented), career counseling, course selection and scheduling, and interaction with parents, as needed. The counselors also assist with testing in the school district.

At the elementary level (K-6), there are three crisis counselors for six elementary schools. The terminology of “crisis counselor” is a reference to a NJ State Licensing regulation in which all crisis counselors must have a minimum number of degree credits in guidance work. The elementary crisis counselors participate in the following: 1) pupil assistance committees (PAC), 2) 504 meetings, 3) consultation/education with parents and teachers, 4) classroom guidance, 5) parenting workshops, 6) peer mediation, 7) monthly newsletter for parents, 8) supervision of masters-level social work interns, 9) school safety committee (violence task force), 10) referral/liaison with DYFS, police or other agencies, 11) counseling for the school community, and 12) conferences and professional development. Overall, changes in the social climate have resulted in a more active role in early assessment and referral of problem situations, identification and intervention with at-risk students, and a more proactive role in guidance activities regarding violence prevention, conflict resolution and sexual harassment.

The recommendations contained in the Department of Education’s Comprehensive Plan for Educational Improvement and Financing (May, 1996) indicates staffing levels of 1:500 at the elementary school level. West Milford has average student enrollment of 430 per elementary school building. This translates into an average caseload in West Milford of 860 students per elementary crisis counselor, or 42% above the recommended caseload.

The recommendations contained in the Department of Education’s Comprehensive Plan for Educational Improvement and Financing (May, 1996) indicates caseload levels of 1:337 at the middle school and 1:225 at the high school. These ratios are well above the ratio of 1:243 at the middle school level (three counselors for 728 students) and within the recommended range of 1:210 students at West Milford High School (six guidance counselors for 1,259 students).

Functions of the middle school guidance department include: 1) student orientation, 2) parent programs, 3) Grade Eight Proficiency Assessment (GEPA), and 4) small group counseling. The high school guidance function focuses on lifestyle, career and education in the form of back-to-school night and professional/career days.

The chart below profiles the costs of the guidance function at West Milford and the comparable school districts. The guidance costs per West Milford students are \$161, which is lower than two of the three comparable districts and substantially below the three-district average.

Undistributed Expenditures - Other Support Services - Students - Regular (Guidance) 1998-99						
	West Milford		Ewing	Fair Lawn	Vernon	Three District
	Township		Township	Borough	Township	Average
		% TOTAL				
Guidance		Oper./Exp.				
Salaries of Other Professional Staff	\$626,332	85.4%	\$530,153	\$874,070	\$1,166,937	\$857,053
Salaries of Secretarial & Clerical Assistants	\$86,144	11.7%	\$0	\$134,281	\$145,765	\$93,349
Purchased Professional – Educ. Services	\$1,219	0.2%	\$0	\$69,457	\$31,356	\$33,604
Other Purchased Prof./Tech. Services	\$9,287	1.3%	\$0	\$2,300	\$0	\$767
Other Purchased Services	\$0	0.0%	\$661	\$6,264	\$0	\$2,308
Supplies and Materials	\$10,432	1.4%	\$38,398	\$13,369	\$7,724	\$19,830
Other Objects	\$0	0.0%	\$2,851	\$170,062	\$0	\$57,638
Total Support Services - Guidance	\$733,413	100.0%	\$572,063	\$1,269,804	\$1,351,782	\$1,064,550
Average Daily Enrollment	4,554		3,656	4,435	5,387	4,493
Total Sup. Serv. - Guidance Cost Per Pupil	\$161		\$156	\$286	\$251	\$237
Source: 1998-99 Comprehensive Annual Financial Report (CAFR)						

Recommendation:

The number of guidance counselors in the high school and middle school is ample, while the K-6 elementary schools, where two schools share a crisis counselor, have minimal staffing and guidance programmatic offerings. School officials should consider enhancing the elementary guidance program to include classroom guidance lessons, small groups and some individual counseling sessions. The district should draw on available staff and community resources to address specific social and academic needs. The district should continue to add elementary school counselors as resources permit.

Health Services

The district's health services costs are in line with two of the three comparative districts for 1998-99. The district spent less than the other districts for purchased professional and technical services, as well as for supplies and materials.

The district health services staff includes one nurse at each school, plus two part-time 3.5 hour building aides. A couple of years ago as a cost saving measure, the district cut back from two nurses at the high school to its current staffing. The district contracts with a pediatric group to provide physicals for students at a cost of \$10,400 for the year. The student population appears to be receiving adequate services. Classes in health are conducted as part of the health and physical education program in accord with curriculum guidelines.

The district is commended as its health services program cost of \$90.41 per student is well below the average cost of \$100.88 for the three comparison districts.

Basic Skills

The basic skills improvement program (BSIP) is operated mainly as a pullout program with some in class support, when possible. A before school program is conducted at the elementary

schools, except Apshawa. Due to budgetary restraints and the number of required services to be given at the elementary level, in-class support service is generally provided to two grade levels. Services are provided to other students either in the before school or through pullout programs.

The district has an early intervention approach that has reading specialists working with students in the first grade. This proactive reading effort seeks to identify and then provide for the timely implementation of remedial service for students needing supplemental assistance.

Students in other grades also receive service in one or more of the areas deemed to be deficient. The middle school has a combined advanced thinking skills program normally called CATS. This is a class that provides a semester of mathematics and a semester of language arts for each grade. Essentially there are no separate basic skills classes in the ninth and tenth grade levels. A part-time instructional aide was approved for the 1999-00 budget, but was not filled. District officials may wish to revisit this action in order to provide in-class instructional support.

The high school students in these grades are placed in on-grade English classes. Mathematics basic skills instruction at these levels is provided through a replacement class or the remedial class that uses one half of the lunch period for BSIP instruction. At the 11th and 12th grade levels, both for English and mathematics, basic skills replacement classes are offered. Lunchtime remedial assistance is also available at this level.

Program staffing is as follows:

- Apshawa has one full-time and one half-time BSIP teacher, plus a reading specialist.
- Maple Road has one full-time BSIP teacher, plus a reading specialist.
- Marshall Hill has one full-time and two part-time teachers, plus a reading specialist.
- Paradise Knoll has one full-time teacher and a reading specialist.
- Both Upper Greenwood Lake and Westbrook have one full-time and two part-time BSIP teachers, plus a reading specialist in each of their schools.
- Both the middle and the high schools have a BSIP teacher in each of their schools, plus other support. These schools have several different methods to provide remedial services to identified students.

The June, 1999 CAFR indicates that the district spent \$601,757 for its basic skills program for a cost of \$132 per student, compared with \$0 for Ewing, \$47 at Fair Lawn and \$125 at Vernon townships. It should be acknowledged that districts often use federal funds to provide basic skills instruction. The review team also examined the New Jersey School Boards Association website. The West Milford Township 1997-98 cost per student was \$108, which ranked 58th among 211 K-12 school districts with an average per pupil expense of \$88.

While expenditures for basic skills vary considerably among school districts, West Milford Township BSIP expenditures are above average. This may be due in part to the fact that the salaries of the reading teachers in the elementary schools are included in the basic skills expenditures, which may not be the situation in other districts. Staff interviews and other data indicate that the basic skills instruction, as delivered by district staff, is having a positive impact on students.

Gifted and Talented

The West Milford Learning Unlimited Program, an elementary school gifted and talented program, received national recognition as a program exemplifying “excellence in education” by the National Association for Gifted Children. Selection for participation is based on standardized test scores, report card grades and teacher recommendations. The selected third and fourth graders attend on Tuesday, second graders attend on Wednesday, and fifth and sixth graders attend on Thursday. The differentiated curriculum is interdisciplinary with emphasis upon critical and creative thinking and problem solving skills. The instruction is provided three days per week, with a combined enrollment of about 72 students in grades two through six. The school year is divided into four cycles, which concentrate on different areas of study, such as law, economics, archaeology, architecture, robotics and biology. Selection for each cycle is based on student preferences, demonstrated interest and performance. Due to limited classroom space in the Westbrook School, in June, 2000, the board approved an application for off-site use of a substandard instructional area in the Hillcrest Community Center (formally Hillcrest School) for Learning Unlimited.

One of the Middle School Odyssey of the Mind teams won the finals at the state championship. Odyssey of the Mind is a for-profit group, which sponsored the Destination Imagination competition.

Library/Media Centers

Each of the West Milford schools has a library/media center. All of the centers are wired with Internet access and have a wide variety of materials for use by both students and staff members. Over 62,000 books are on the shelves, and in some schools, the books can be accessed through automated catalog files. The high school has both a card and an automated catalog file and students are encouraged to use the card file rather than resort to just pressing a button to find what they need.

In addition to the books, other publications, audio-visual aids and products, as previously indicated in the technology section of this report, each school has technology equipment in the form of computers and printers.

The high school media center houses the technology teacher, media specialist, secretary, and two part-time aides. Each of the other schools has a media specialist. Elementary school media specialists in the schools with smaller enrollments are shared with the larger schools on a part-time basis. Some schools get assistance from parent volunteers.

As indicated in the following table, the West Milford Township media center per pupil costs in 1998-99 were less than the three-district average and also less than two of the three comparison districts.

School Media Centers 1998-99
Comparison of West Milford Costs with Three Comparable Districts

Expenditures	West Milford	% Media Expense	Ewing	Fair Lawn	Vernon	Three District Average
Salaries	\$453,500.00	79.16%	\$351,081.18	\$713,612.39	\$392,531.00	\$485,741.52
Purchased Prof./Tech. Svcs.	\$38,993.34	6.81%	\$1,102.60	\$3,600.00	\$0.00	\$1,567.53
Supplies and Materials	\$80,323.43	14.02%	\$181,159.13	\$121,592.52	\$45,668.00	\$116,139.88
Other Objects	\$50.00	0.01%	\$16,022.49	7694.96	\$5,901.00	\$9,872.82
Total	\$572,866.77	100.00%	\$549,365.40	\$846,499.87	\$444,100.00	\$613,321.76
Total # Students	4,554		3,656	4,435	5,387	4,493
Per Pupil Cost	\$125.79		\$150.26	\$190.87	\$82.44	\$136.52

Community Education

West Milford takes pride in its community education programs, which offer a wide array of community programs for its residents and individuals coming from surrounding areas. There are three types of programs offered: school age child-care (SACC), preschool and adult school. Administrative staff for the community school includes a full-time coordinator, a part-time coordinator, and a full-time secretary. The full-time coordinator is in charge of the SACC and preschool program. Her office is located at her home with a computer and printer provided by the district. The board also reimburses her for all official toll calls.

The SACC program is designed to meet the needs of students and parents within the community. Parents drop off their children before school begins at 7:00 a.m. and pick them up when after-school care ends at 6:00 p.m. The SACC program has six locations in the elementary schools. There are more than 200 students participating in this program. Staffing for the SACC program includes six associate teachers and 12 aides, who work two to 7.3 hours a day. Two of the associate teachers received full benefits.

The preschool program, which is located in the Maple Road School, is designed for children between the ages of three and four years old. The schedule for four year olds is three half days, and for the three year olds, it is two half days. There are more than 40 students in this program. A part-time teacher and aide, with no benefits, were added to this program

The adult school offers more than 100 courses in youth enrichment programs and adult community education. Most of the courses are offered in the evening at the high school complex. Tuition varies depending on each course. The district offers one free course to senior citizens who reside in West Milford. The adult school program also provides older adults with services, such as transportation, adoptive grandparent program, walking, arts & crafts, etc. Senior citizens pay no fees for these services. Three local business entities have participated in West Milford's community school by offering trips and computer, health and fitness courses at the business sites.

Although the community school is admittedly intended to be self-supporting, that has not been the case in West Milford. The community school has sustained a deficit for at least each of the past three years. The following table illustrates the income and expense statement for the community school.

Revenue	1998-99	1997-98	1996-97
Program Fee	\$373,645	\$315,973	\$319,932
Interest Revenue	\$16,974	\$14,396	\$20,139
Miscellaneous	\$78	\$316	\$74
Total Revenue	\$390,697	\$330,684	\$340,145
Operating Expense			
Salaries	\$263,425	\$246,000	\$221,630
Employee Benefits	\$50,857	\$35,364	\$30,400
Purchased Professional Services	\$56,341	\$76,790	\$75,474
Loss on Disposal of Equipment	\$0	\$0	\$1,578
Supplies and Materials	\$17,420	\$14,422	\$14,177
Depreciation	\$2,214	\$2,214	\$2,214
Travel	\$0	\$0	\$200
Postage	\$7,626	\$9,460	\$9,141
Other Objects	\$810	\$310	\$787
Total Expense	\$398,693	\$384,560	\$355,601
Income (Loss)	(\$7,996)	(\$53,876)	(\$15,456)
Retained Earnings (Deficit) - July 1	(\$280,132)	(\$226,256)	(\$210,800)
Retained Earnings (Deficit) - June 30	(\$288,129)	(\$280,132)	(\$226,256)

A detailed review was conducted for each program offered at the community school. It was revealed that SACC is the most profitable program as compared to the preschool and adult school programs. Most of the administrative costs were expended on the adult school program for items such as brochure printing, salaries, etc. These costs were not charged back to the adult school program, therefore, the adult program indicated a net income of \$30,082 instead of a loss of (\$44,816). Salaries and the low number of participants were the key reasons for the deficit in the adult school program. The following table illustrates the actual net income and loss for individual programs in school year 1998-99:

	Administration	Adult School	SACC	Preschool	Total
Revenue	\$17,052	\$116,888	\$207,806	\$48,951	\$390,697
Expenses	(\$91,950)	(\$86,806)	(\$176,697)	(\$43,240)	(\$398,693)
Income (loss)	(\$74,898)	\$30,082	\$31,109	\$5,711	(\$7,996)

To avoid incurring a deficit each year in the operation of the community school, starting with the 1999-00 school year, the district is trying several ways to increase revenue and reduce expenditures. The district has eliminated the full-time coordinator position and replaced it with a part-time position. The district is paying a stipend of \$12,000 for this part-time position and will save over \$35,000 in salaries. The district tried to improve the revenue by publicizing their programs to attract more participants and to eliminate those courses with insufficient numbers of participants. The community school showed a net income of over \$3,000 in school year 1999-00.

Recommendations:

The district is commended for making adjustments, which resulted in a small net income for the combined community education programs during 1999-00. The district should

continue taking steps to bring receipts more in line with expenditures, particularly with regard to the adult school program. Administrative costs should be prorated to the respective functions and should be included in the budget for all courses as part of the published fees. District officials should consider reducing the full-time community school secretarial position to half-time with savings of about \$15,000.

Cost Savings: \$15,000

While it is commendable for the district to offer programs to the entire community, it should work toward having those who participate in the programs defraying more of the costs associated with presenting various courses. Some suggestions for cost effectiveness are to consider increasing minimum class sizes, eliminating those courses with an insufficient number of participants, and/or increasing the fees of the courses to better cover costs. Since the district can not afford to offer free courses to senior citizens, the team recommends that the district should offer one course per semester to senior citizens at discounted prices.

The district is increasing the amount of revenue and more adequately controlling expenditures for community education, and is beginning to make progress in recovering some of the deficit amounts incurred in past years.

Five-year Program Evaluation Plan

The board of education adopted the Five-year Program Evaluation Plan at the September, 2000 meeting. Each district educational program and service will undergo an assessment on a five-year cycle in accordance with an established schedule for long-range planning. The areas for assessment during the next two years are as follows:

Year 1 (2000-01)	Year 2 (2001-02)
Basic Skills-Districtwide	English -Literature, Writing (grades 7-12)
Food Services	Fine Arts, K-12
ESL-Districtwide	Industrial Education & Technology (7-12)
Social Studies-Districtwide	Custodial Services
Business Education (grades 7-12)	Science-Districtwide
	Substance Abuse-Districtwide

The year-one timelines indicate the formation of a district steering committee in September to develop questionnaires and processes for the evaluation. The information gathered from a variety of sources, including testing data, national research, etc., will be collected in November/December and analyzed in January for budget implications. The final report will be presented to central office administrators in March/April and the board of education will examine and endorse the program plan and revisions in May/June.

Professional Staff Development

The West Milford Township School District opened the 2000-01 school year with a professional day on September 6th. The elementary faculty attended a series of meetings involving curriculum review and revision and continuing education requirement training. High school and middle school teachers had several sessions organized by department in topics like the following:

- Application of standards in world languages.
- Integration of technology and the Internet in library skills curriculum.
- Web page training.
- Excel training.
- Pupil assistance committee training.
- Infusion of heart rate monitors/computers into physical education lessons.
- Integration of databases into the curriculum.
- Continuing education requirement training.

In May, 1998, the State Board of Education adopted a plan to require all teaching staff to complete 100 clock hours of continuing education every five years of active service. This requirement took effect in September, 2000 and may be met through a combination of state approved experiences. Local professional development committees are responsible for the planning and implementation of these experiences.

A second professional development day was scheduled for October 16th. The general theme of the day was “Preparing for the Assessments” and included presentations regarding the state tests- GEPA, ESPA and HSPA. Some of the topics included:

- Weaving observation and authentic assessment into the early childhood integrated curriculum: rubrics, portfolios, anecdotes and more.
- Measuring what matters: the case for assessment reform.
- The state of state assessments.
- Balancing standards and assessments: rich relationships through concepts and connections.
- Dealing with medications and other drugs.

The cost of the October 16th professional day was listed as \$8,800.

The district conducts a series of six seminar presentations for new staff members. All new instructional certificated staff are expected to attend these sessions on Tuesdays in the High School from 3 to 4:30 p.m. Recent topics have included school law, educational support services, equity issues, hands-on technology, academic roundtable, inclusion in special education and learning styles.

The district also has an in-service academy with about 22 courses offered each fall and spring. The courses are usually from two to six sessions in length, fulfill the requirements for approved in-service course work and may be used toward advancement (15 credit maximum) on the professional salary guide.

BUSINESS OFFICE OPERATION

Surplus/Budget

Surplus is the amount of money held in reserve and remaining when current year revenues have exceeded expenditures. In the event of expenses exceeding the amount of revenues, plus any prior year carry over of surplus funds, a deficit would occur. In accordance with state law,

public school accounts cannot go into deficit. Surplus is included in a district's budget in order to provide funds for emergencies or other unanticipated expenditures, which are beyond the board's control. Sound financial controls are required to ensure that surplus funds are accurately estimated and used according to established guidelines.

The Comprehensive Education Improvement and Financing Act (CEIFA) 18A:7F1 through 18A:7F-34, which became effective December 20, 1996, established a maximum allowable undesignated surplus of 6%. In accordance with N.J.S.A. 18A:7F-7, excess surplus that is over the allowable maximum shall be appropriated or returned to taxpayers. The state does not stipulate the minimum amount of surplus a district should maintain; however, since revenues are not always received on a timely basis and expenditures may vary from month to month, the district must anticipate its cash flow needs throughout the year.

A district's ability to estimate surplus accurately is strongly predicated on its success in establishing procedures for sound budgetary and internal controls and accurate accountability at year-end. These control procedures can be utilized to institute corrective action by alerting management when significant budget and accounting data deviations occur from original estimates.

Tracking trends in revenues, expenditures, and annual surplus can assist districts in estimating surpluses accurately. When district personnel prepare the budget, they know fairly precisely the amount of revenue the district will receive for the upcoming year. Over the past three years (1996-97 through 1998-99), the West Milford Township School District's revenue from the local tax levy as a percent of total general fund revenue reflects a constant rate of 65%. Interest on investments, miscellaneous revenues, tuition and Medicaid reimbursement provided less than 2% of the general fund revenue. State aid revenues provided approximately 33% of the total general fund revenue. The following table illustrates the district's revenue distribution over the past three years for the general fund.

General Fund	1996-97		1997-98		1998-99	
	Actual	%	Actual	%	Actual	%
Local Tax Levy	\$24,711,719	64.6%	\$25,101,197	65.1%	\$26,373,426	65.4%
Tuition	\$392,481	1.0%	\$340,227	0.9%	\$335,704	0.8%
Interest on Invest.	\$202,286	0.5%	\$233,376	0.6%	\$182,760	0.5%
State Unemployment Fund	\$0	0.0%	\$0	0.0%	\$98,744	0.2%
Building Rental	\$0	0.0%	\$6,075	0.0%	\$13,535	0.0%
Misc.	\$90,759	0.2%	\$41,894	0.1%	\$131,706	0.3%
State Aid*	\$12,861,363	33.6%	\$12,850,653	33.3%	\$13,165,743	32.7%
Medicaid Reimbursements	\$15,689	0.0%	\$9,073	0.0%	\$5,951	0.0%
Total Revenue	\$38,274,297	100.0%	\$38,582,495	100.0%	\$40,307,568	100.0%

Sources: District's CAFR

* Excluded pension and social security contributions

Over this period, the local tax revenues and state unemployment funds received by the district were exactly as budgeted, except for other revenue. The other revenue includes tuition, building rental, and interest on investments, Medicaid reimbursements and miscellaneous income. For school year 1996-97 through 1998-99, the district under-budgeted its interest on investment, state aid and miscellaneous revenues. For school year 1998-99, the district did not project building

rental revenue, but actually received \$13,535. Medicaid reimbursement was not budgeted by the district for the past three years. The total general fund revenue has increased \$2 million or 5.32% from 1996-97 to 1998-99, while the total general fund expenditure has increased \$2.33 million or 5.98%. For the past three years, the total general fund expenditures were overestimated from a low of \$69,726 or .17 % to a high of \$599,332 or 1.51%, while revenue has been underestimated from a low of \$206,215 or .54% to a high of \$510,672 or 1.28%. Inaccurate budget estimates in revenues and expenditures may result in the collection of unnecessary taxes raised by the district. The review team believes that the district, through improved budgeting procedures, can achieve more accurate estimates of revenues and expenditures.

In 1998-99, the West Milford Township School District expended approximately 69% of the general fund for salaries. Except during contract renewal years, the district should be able to determine, with reasonable accuracy, the budgeted amount needed for salaries; however, salary estimates can often be higher than actual expenditures as a result of resignations, retirements, etc., which may occur after the budget has been adopted. The other items comprising 31% of the general fund budget are more variable, although budget projections can be determined through the use of multi-year contracts and purchase agreements, and by examining the history of prior revenues.

The following table illustrates the difference between the district's budgeted and actual revenues, expenditures, and surplus in the general fund for school years 1996-97, 1997-98 and 1998-99.

	1996-97			1997-98			1998-99		
	Budget	Actual	Chg. in %	Budget	Actual	Chg. in %	Budget	Actual	Chg. in %
Local Tax Levy	\$24,711,719	\$24,711,719	0.00%	\$25,101,197	\$25,101,197	0.00%	\$26,373,426	\$26,373,426	0.00%
Tuition	\$339,534	\$392,481	15.59%	\$300,000	\$340,227	13.41%	\$375,000	\$335,704	-10.48%
Building Rental	\$0	\$0	N/A	\$5,000	\$6,075	21.50%	\$0	\$13,535	100.00%
Interest on Investments	\$128,466	\$202,286	57.46%	\$95,000	\$233,376	145.66%	\$150,000	\$182,760	21.84%
State Unemployment Fund	\$0	\$0	N/A	\$0	\$0	N/A	\$98,744	\$98,744	0.00%
State Aid*	\$12,861,363	\$12,861,363	0.00%	\$12,717,175	\$12,850,653	1.05%	\$12,699,726	\$13,165,743	3.67%
Medicaid Reimbursements	\$0	\$15,689	100.00%	\$0	\$9,073	100.00%	\$0	\$5,951	100.00%
Miscellaneous	\$27,000	\$90,759	236.14%	\$10,000	\$41,894	318.94%	\$100,000	\$131,706	31.71%
Total Revenue	\$38,068,082	\$38,274,297	0.54%	\$38,228,372	\$38,582,495	0.93%	\$39,796,896	\$40,307,568	1.28%
Total Expenditure	\$39,118,300	\$38,942,555	-0.45%	\$39,751,450	\$39,152,118	-1.51%	\$41,337,727	\$41,268,001	-0.17%
(O)/U Expend	-\$1,050,218	-\$668,258	36.37%	-\$1,523,078	-\$569,623	62.60%	-\$1,540,831	-\$960,433	37.67%
Other Finance Sources	\$0	\$690,951	100.00%	\$0	\$59,510	100.00%	\$0	\$416,940	100.00%
Surplus or (Deficit)	-\$1,050,218	\$22,693	102.16%	-\$1,523,078	-\$510,113	66.51%	-\$1,540,831	-\$543,493	64.73%
Beginning Fund Bal.	\$2,674,410	\$2,674,410	0.00%	\$2,697,102	\$2,697,102	0.00%	\$2,186,989	\$2,186,989	0.00%
Ending Fund Bal.	\$1,624,192	\$2,697,103	66.06%	\$1,174,024	\$2,186,989	86.28%	\$646,158	\$1,643,496	154.35%
Fund Bal./Total Expense	4.15%	6.93%		2.95%	5.59%		1.56%	3.98%	

Source: District's CAFR

To fund \$39 million in projected expenses in 1996-97, the board appropriated \$1 million from its \$2.67 million surplus balance, leaving a projected surplus of \$1.62 million (4.15% of the projected general fund budget amount). According to the CAFR, the district over-spent the budget by \$668,258, which would have generated a surplus of \$2 million. However, in the same year the district brought in other financial resources of \$690,951 from long-term capital leases

for transportation vehicles. As a result, the surplus fund increased from \$2,674,410 to \$2,697,103 or 6.93%. For the 1997-98 budget, the board appropriated \$1 million from surplus and estimated an end-of-year surplus balance of \$1.17 million (2.95%). However, by the conclusion of the budget year, the district had realized savings of \$2.19 million. This generated an actual surplus balance of 5.59% of the budgeted expenses. During the 1998-99 budget, the board estimated a \$646,158 surplus, but instead actualized over \$1.6 million or 3.98% surplus.

Based on the past two years' surplus fund balances, the district is consistently closing the school year with a greater surplus than estimated. In view of the significant fluctuation in surplus balances from year to year, district officials should consider establishing a policy on maintaining surplus perhaps within a range of 2% to 4%. Implementation of the policy would necessitate enhanced budgeting techniques and monitoring of expenditures.

Recommendation:

Since surplus balances have fluctuated significantly in relation to estimates from year to year, district officials should consider developing a policy statement on surplus and institute methods that would result in more accurate annual estimates of the budget expenditures and surplus balances.

Banking and Investment

The checking and savings accounts maintained by the West Milford Board of Education were reviewed for the purpose of possibly identifying ways the district could improve its interest income and reduce the costs associated with reconciling and maintaining banking accounts. During 1998-99, the district maintained a total of 30 accounts in three banks, which included 16 checking accounts, five savings accounts, nine certificates of deposits, and one money market fund account. The district maintained accounts for the custodian of school monies (operating account), cafeteria, petty cash, student activities, capital improvement, payroll, insurance, employee deductions, the account for state unemployment insurance (SUI), etc.

A review of the amount of interest earned by the district in its operating accounts disclosed that the average monthly balances in 1998-99 ranged from approximately \$110,821 to \$688,863. The district earned 5% interest from the daily collected balance. The bank waived all service charges and the minimum balance requirement. The district received a total interest income of more than \$180,000 during school year 1998-99.

The district also invested a portion of its balance into Certificates of Deposits or the New Jersey Cash Management Fund (NJCMF) to earn higher interest. The district earned 4.3% to 6.65% on Certificates of Deposits with various maturity dates. NJCMF is a conservative investment fund utilized by the State of New Jersey. For comparative purposes, the team evaluated interest paid to the district by its bank against interest rates that would have been paid by the New Jersey Cash Management fund. It observed that the district's rate was slightly higher than the rate paid by NJCMF. NJCMF does not provide the services that the bank provides the district, such as check printing and processing. Therefore, the district maintained most of the funds in the banks and the Certificates of Deposit. As of April, 2000, the district maintained \$72,164 in the NJCMF. In

view of the costs of these services, the district received an excellent rate from the bank. The chart below illustrates the interest rate offered by the bank serving West Milford and NJCMF for 1998-99.

	District's Bank	NJ Cash Mgt. Fund
Jul-98	5.00%	5.32%
Aug-98	5.00%	5.34%
Sep-98	5.00%	5.31%
Oct-98	5.00%	5.15%
Nov-98	5.00%	4.99%
Dec-98	5.00%	4.98%
Jan-99	5.00%	4.86%
Feb-99	5.00%	4.76%
Mar-99	5.00%	4.78%
Apr-99	5.00%	4.78%
May-99	5.00%	4.74%
Jun-99	5.00%	4.77%
Average	5.00%	4.98%

Overall, the team found that the district followed an aggressive investment strategy and its policies and procedures for financial management were working well.

Petty Cash

The district has about a dozen petty cash accounts. The administration's office, business office, maintenance, transportation, child study team and each of the schools maintain their own petty cash accounts. Petty cash accounts provide the administration with the ability to fund projects or make emergency purchases on short-term notices. At the beginning of each school year, funds ranging from \$250 to \$500 are distributed to each petty cash account custodian. During the school year, as the school draws down the account, the custodian of these funds can submit to the school business administrator a request for replenishment. Each request for petty cash is put in a voucher with the appropriate receipt(s) and signed by the person making the request. At the end of the school year, all petty cash funds are closed out for audit.

Board policy outlines the procedures for the use of petty cash. Two 1998-99 petty cash accounts were selected for a more detailed review, which revealed that the petty cash accounts were used for refreshments, postage, etc. Overall, funds expended in the petty cash accounts appear to have been handled appropriately.

Payroll

The payroll function serves approximately 650 full-time employees and 101 part-time employees within the district. Payroll is processed twice a month by a district salary coordinator. The salary coordinator verifies the entire payroll changes, such as overtime and non-paid absences, and manually enters them into the system, which is called "comprehensive information management for schools" (CIMS). The CIMS payroll system is a software package provided by National Computer System, which allows the district access to retrieve individual payroll files and to run the regular payroll automatically. During payroll cycles, the payroll data is entered

into the system and verified by the payroll coordinator for accuracy before the checks are printed for distribution. According to the payroll staff, CIMS as a payroll system has limitations, since it cannot provide individual information on one screen. The payroll coordinator needs to go through a lot of screenings for a small change in one individual file. When there are adjustments, the system also does not provide the total amount of the payroll, so the total payroll amount must be manually recalculated. Also, the overtime payment is commingled with regular pay.

The district provides direct deposit for payroll and more than one third of the staff take advantage for this service.

Recommendations:

- 1. The district is paying a rather large amount of money to the Arizona home-based computer company for the CIMS system. The district should consider having the technology department staff discuss with the computer software vender how to improve the efficiency of the payroll system.**
- 2. For internal control purpose, the district should consider maintaining overtime payments in a separate record to allow easy identification and isolation from the regular payroll payments.**

Purchasing and Accounts Payable

The purchasing operation is organized under the school business administrator. The accounts payable unit employs a staff of two. The purchasing clerk in the business office also handles the fixed assets ledger. The purchasing system involves about 5,000 purchase orders per year. The system is a manual one, in which the paperwork for a purchase order must manually travel from the school to the various offices in the central administration. The individual school purchasing process is as follows:

1. The teacher or person with the need initiates an informal requisition, which has to be approved by the principal or supervisor. The completed requisition is typed within the school principal's office with an explanation for the item requested. The principal or supervisor is also required to fill in the budget accounts before forwarding the purchase order to the business office or the assistant superintendent.
2. The assistant superintendent reviews all purchase orders related to educational purchases and the business administrator reviews all other purchase orders.
3. The business administrator reviews purchase orders for appropriate signatures and account numbers, etc., and initials the forms before forwarding them to the superintendent.
4. The superintendent reviews and approves all purchase orders and then returns them to the business office.

5. The accounts payable staff verifies account numbers and determines if sufficient funds are available in the account. The business office also determines that all necessary data is included on the purchase order form and purchasing procedures are adhered to relative to pricing, the use of state contracts, where available, and appropriate quotation and bid limits.
6. The business office sends the purchase order to the vendor with copies to the requester. The receiving copy is used later to verify delivery.
7. When the requester receives the ordered products, he/she provides delivery information on the receiving copy and returns it to the business office.
8. After the business office completes a three-way match between the original purchase order, invoice and receiving copy, a bill list is created for board approval. After the board approves the bill list, the business administrator signs off on the disbursement and a check for payment is sent to the vendor.

Many school districts have experienced success in purchasing items at lower prices due to purchases in larger quantities. They achieve such savings through extensive involvement in cooperative purchasing efforts with numerous organizations. West Milford has participated in several joint-purchasing efforts with state, county and local entities to help reduce the costs of purchases.

All purchase requests for general and school supplies go through the Education Data Services, Inc. (EDS). This firm handles joint purchasing for 300 school districts in the state. Presently, the West Milford Township School District has a joint purchase agreement with more than 22 school districts within this consortium.

EDS produces bid lists for its members. The school districts review their respective bid lists and note any additions, changes and/or deletions. Subsequently, the districts return their revised bid lists to the EDS through the Lawrenceville Township School District. This organization is utilized as the Local Education Agency, as it qualifies as a non-profit agency, which is the only type of entity that can serve as an agent and accept bids for other school districts. The vast array of items offered via this cooperative purchasing agreement enables the school district to take advantage of bulk discounts for most items.

As a companion to the bid list, EDS produces a preliminary booklet at the end of the year. This catalog contains more than 600 general office supplies, as well as school supplies, paper products and custodial supplies. Furthermore, the catalog illustrates supplies for art, athletics, audiovisual, computers (not software/hardware), copiers/duplicators, custodial, fine arts, health, home economics, physical education and science. In the springtime, a revised catalog is prepared and distributed to the consortium members. This is done after the revised bid lists are returned to EDS and the changes are recorded. The company also provides its members with an updated vendor list every year. Likewise, EDS is responsible for advertising the products illustrated in its catalog. Each consortium member pays EDS an administrative fee annually for its service. For school year 1998-99, the district paid \$9,500 for its administrative fees to EDC. The district had savings of 22% to 27% on its purchase orders through EDS.

The district is commended for continuing to save taxpayers thousands of dollars through cooperative purchasing initiatives and by networking with local community, county and state agencies.

Recommendation:

The district should consider moving toward total computerization of requisitioning, purchase order, encumbrance, receipt and payment process, including system network links between each school and the business office.

Inventory and Fixed Assets

The recent conversion to Generally Accepted Accounting Principles (GAAP) for New Jersey school districts mandated that each district set up a General Fixed Asset Group of accounts and provide an inventory method to quantify the historical cost of fixed assets for the district.

Inventory stock and appraised fixed asset lists provide organizations with valuable information. They not only list public assets, but also can help to identify theft, establish consumption guidelines, and prevent unnecessary purchasing. An incomplete inventory listing makes it difficult to identify a loss or obtain proper insurance coverage for the district.

The West Milford Township School District has an inventory list that is maintained by the business office. The district uses the CIMS computer software and the Government Fixed Assets Management System (G-FAMS) to record all fixed assets. A district staff member in the purchasing department keys data into the system for all permanent fixed assets at the time of the purchase. At the end of the month, the district staff member reconciles the fixed assets roster with the accounting ledger. The fixed assets roster provides complete inventory information, except for depreciation, but including the acquisition cost, location, serial number, and purchase order number. The district also uses the fixed assets report to insure its properties.

A sampling of fixed assets was reviewed. The team found that the items were properly recorded and tabbed. The board has a policy outlining the procedures for disposal of obsolete property. The district currently uses the highest bid method to dispose of obsolete property twice a year. A professional appraiser was hired six years ago to evaluate the school's fixed assets, and since then, no further evaluation of fixed assets has been performed. According to the district's administration staff, the fixed assets have been maintained in a good record, therefore fixed asset reevaluation is not needed at this time.

Long-term Commitments

The district has more than \$8 million in long-term commitments, which consist of school bonds, school facilities loan assistance, capital leases, and compensated absences payable. Due to the varying ages of many school buildings, the district has plans to make certain improvements, renovations and repairs, such as upgrading of the telephone and fire alarm systems, replacements of certain roofs, windows and exterior doors, repairs to fences, concrete and blacktop, etc. To avoid the rapid increase of local taxes, the district issued long-term bonds to raise cash for the school improvements, renovations and repairs. More than \$3 million in school bonds were issued in 1992 and 1996. The district is paying 4.85% to 5% interest on these bonds.

School facilities loan assistance was obtained from the State of New Jersey for roof construction for the West Milford Township School District in the amount of \$281,369. The loan was obtained at a rate of 1.5% to 5.288% interest to be paid over 10 years.

In 1998-99, the district purchased through finance 17 vehicles, 12 copiers, one Pitney Bowes postage meter and three lighting retrofit units. The district has financed more than \$744,000 for equipment and vehicles. The district is paying interest of 4.59% to 10.499% for these equipment and vehicle purchases.

The district 1998-99 audit records \$3.99 million payable for unused sick leave and vacation days. This commitment, which is required by the state to be included in audit reports, is reserved for payments upon retirement in accordance with negotiated agreements and individual employment contracts for accumulated and unused sick leave days and/or vacation days.

Grants

The district is to be commended for its consistent effort to fully utilize grant money received from federal, state and local sources to enhance its educational program and the delivery of educational services to students. Additionally, the efforts to acquire more money through writing and submitting applications for competitive grants should be noted. For instance, the district's submission of a 21st Century Community Learning Centers proposal in the amount of \$4,659,192 was made under the title "Highlander Opportunity Project for Education" (H.O.P.E.) for the period July 1, 2000 – August 15, 2003. The rationale for awarding grants varies and at times the award recipient gets all or a portion of the amount requested. In this instance the district's request was not granted, but this was an indication that they were willing to take an aggressive stance in applying for grant money. Nevertheless, this application represents a mammoth effort for a district this size.

The coordinator of educational support services is responsible for the development of alternate funding sources to include competitive grants. Although committees assist in carrying out a portion of the development process, the coordination and preparation activities are quite substantial and warrant a considerable amount of time and effort. As a result of these limitations, the district may not have been able to pursue additional available competitive grants. The importance and scope of the grants program is such that some districts have a full-time grants position. However for a district this size the option could be explored of entering into an arrangement with another district for a shared-time person to cover this particular responsibility. The DOE REDI program might provide some start-up costs for this implementation effort. Nevertheless, the district's efforts to garner competitive grants have been reasonably successful.

Aside from the mini-grants provided by the PTA/PTO or booster clubs, the district also received the following grants from local sources as identified in the CAFR Special Revenues Fund:

1999 Grants

Unity 2000	\$500.00
Teachers Teach With Technology	\$5,578.22
Geraldine Dodge Foundation	\$821.50
Exempt Practice	\$454.91
GPU	\$1,000.00
1999 Total	\$8,354.63

A moderate increase was recorded for 1999 over the \$6,733.80 received in 1998.

Entitlement Grants

1998-99 flow-through funds from the US Department of Education through the NJ Department of Education (DOE) for seven grants totaled \$707,212. At the end of the period the district had \$8,954.74 in accounts receivable and there was no money due to be returned to the grantor.

During the grant period 7/1/98-6/30/99, the DOE awarded \$14,878,399.12 for the general fund. An additional \$1,846,134.12 in money due from the prior year 1997-98 was received during 1998-99 from DOE. At the end of the fiscal period, the district had accounts receivable of \$223,040.93 with no funds due to be returned to the grantor. The district also received and used the following state funded grants during this period:

- Distance Learning Network \$191,201; and
- Instructional Supplement Aid \$98,484.

The CAFR Schedule of Expenditures of State Financial Assistance indicates that out of \$427,625.90 awarded for 12 grants, \$407,975.77 was used for nonpublic school aid for the year 1998-99. Reportedly, the nonpublic schools had ordered materials that the suppliers were unable to deliver within allowable timeframes for the purchase orders, therefore, \$20,690.13 was returned to the grantor.

SERVICE CONTRACTS

Auditor Fees

An auditor fee is included as part of the general administration cost, which is recorded in the “other purchased professional services” category. The auditor was selected through reference and advertisement three years ago. The district through board resolution has utilized the same auditor for the past three years. The district expended \$17,000 for audit fees, which included the Enterprise Fund audit. The district’s business administrator prepared the financial statement and the auditor firm prepared the Comprehensive Annual Financial Report (CAFR).

The review team conducted a comparative review of auditor fees paid by the West Milford, Ewing, Fair Lawn and Vernon school districts. West Milford School District paid the lowest auditing service fee in school years 1997-98 and 1998-99.

Comparison: Audit Expenditures, 1997-98 and 1998-99

	West Milford	Ewing	Fair Lawn	Vernon
1997-98	\$17,000	\$28,800	\$17,500	\$52,670
1998-99	\$17,000	\$30,150	\$18,500	\$75,425

There are no recommendations in the auditor's reports regarding the incorrect use of accounting codes. However, the review team identified several instances of inaccurate reporting in the CAFR reports, due to the use of incorrect accounting codes used by board employees.

Recommendation:

- 1. The district should seek Requests for Proposals for the purpose of promoting competitive audit fees from a number of accounting firms.**
- 2. The district should request its auditor to extend the audit testing to ensure that the district is charging its expenses to the appropriate accounts in accordance with the Department of Education's guidelines.**

Legal Expenses

An analysis of the district's legal costs over the past two years, 1997-98 and 1998-99, revealed expenditures totaling \$94,804 and \$81,462 respectively. Legal fee expenses decreased by \$13,343 or 16.38% in 1998-99 from 1997-98. During the employer's contract negotiation years, legal costs are normally higher. Two law firms are used for the various district legal needs. One law firm serves the district as general counsel, while the other serves for legal and special education counsel. A review of the vendor analysis records for school year 1998-99 was conducted. Most of the attorney fees were paid primarily for legal consultation, litigation, review of board agendas, contract negotiations, personnel complaints, grievances and attendance at board meetings. The district spent \$45,679 on legal services and \$35,695 for negotiations. The district has used the same board attorney for more than seven years. The district is very satisfied with the service it receives from this attorney, and does not seek proposals from others for legal services.

The board appointed the attorneys each year through resolution. The law firms are presently compensated at the rate of \$125 per hour with no retainer fee. In addition to the service fees, the district also paid for the out-of-pocket costs, such as telephone, photocopies, etc. There are no indications that the district has entered into a formal written agreement with its legal service providers to specify the nature and extent of services for past years. Starting in 2000-2001, the district has entered into formal written agreements with the law firms. The review team strongly supports this practice.

Under the current system, the top and middle management, such as the school superintendent, business administrator, principal, and department heads, all have access to contact the board attorney.

A comparative review of legal fees charged to other districts, including Ewing, Fair Lawn and Vernon Townships, indicated that in 1998-99 West Milford was paying one of the lowest hourly rates, but the highest total expense for legal services.

The following are the comparisons of the legal expenses and hourly rates for the attorneys of comparative school districts for 1997-98 and 1998-99.

		West Milford	Ewing	Fair Lawn	Vernon
Total Legal Expense	1997-98	\$94,804	\$51,579	\$104,636	\$62,112
	1998-99	\$81,462	\$53,006	\$63,657	\$66,281
Hourly Rate	1997-98	\$125	-0-	\$125	\$150
	1998-99	\$125	-0-	\$125	\$150
Retainer Fees	1997-98	-0-	-0-	\$12,000	-0-
	1998-99	-0-	-0-	\$12,000	-0-
Salary	1997-98	-0-	\$47,579	-0-	-0-
Salary	1998-99	-0-	\$49,006	-0-	-0-

Recommendations:

- 1. Although West Milford reportedly is very satisfied with its legal representation, the district should consider seeking proposals periodically from other law firms to promote competitive legal costs.**
- 2. The district should track, by case number, the number of legal hour costs incurred. This case management technique, where a case number is provided by the attorney, can give the superintendent and the board important information about the total costs per month and case-to-date costs to be used for future determinations regarding budgeting, grievance actions, or other potentially litigious matters.**

INSURANCE

Property and Casualty

The West Milford School District is a member of the Pooled Insurance Program of New Jersey (PIP-NJ). The PIP-NJ was established in 1984, as a way for school districts to control the cost of their property and casualty insurance. The PIP originally had 14 founding members. West Milford is currently one of 23 school district members. Professional administrators are hired to manage the insurance pool and they actively strive to provide superior, cost-effective risk management products and services. For the 1999-00 school year, the district's premiums to the PIP-NJ were \$467,725 for policies covering multi-peril comprehensive, public employee and public official bonds, school leaders errors and omissions insurance, workers' compensation and an umbrella policy.

The district also purchased a student and athletic accident insurance policy. This policy provides \$10,000,000 maximum benefit full excess accident insurance for an annual premium of \$25,990. In addition, the district purchased a student job training accident insurance policy for \$500 per year.

In 1998-99, the district spent approximately \$218,953 on workers' compensation insurance. The cost of this insurance is based on various factors, including the number of workers' compensation claims per employee. This is known as the experience modification factor. The district's experience modification factor of 1.129, which is slightly higher than average, normally would cause the premiums to increase. However, so far this has not adversely affected the district's workers' compensation premiums. The district's premiums are less than the three-district comparison average and less than those of two of the three comparison districts. According to the school business administrator, the district has had a number of major injuries to employees. This has caused the district's experience modification factor to be higher than the other districts in the pool. The district is working with the pool's executive director in analyzing the workers' compensation claims to ensure the legitimacy of these claims and to explore methods of reducing the number of future claims. The district has also mandated safety training for all custodial and maintenance employees. The PIP-NJ has a risk management and safety committee. The pool offers a 5% discount on premiums for those districts that participate in the safety-training program.

District	West Milford Township	Ewing Township	Fair Lawn Borough	Vernon Township	Three-District Average
County	Passaic	Mercer	Bergen	Sussex	
# Cert. Employees	398	364	341	456	387
# Non-Cert. Employees	222	186	114	163	154
# Total Employees*	620	550	455	619	541
Workers' Compensation	\$218,953	\$221,839	\$219,832	\$128,796	\$190,156
Cost Per Employee	\$353	\$403	\$483	\$208	\$351

*The number of employees was obtained from the CAFR and is not audited.

Health Insurance

The district participates in a minimum premium plan, which means the district pays its own claims up to a specific liability limit. The minimum premium financial agreement that the district entered into on July 1, 1998 requires the district to maintain a termination reserve fund. This reserve fund is maintained in the event of the termination of the contract for health insurance. The district is required to maintain the termination fund to meet the liability for claims incurred during the term of the agreement but remaining unpaid or not submitted as of the termination date. The district fully funded the termination reserve account with the payment made the first year of the agreement. The funds in this account belong to the insurance company, however the district can invest the funds and earn interest on the principal. The required balance in the termination reserve fund as of 6/30/00 was \$659,200 and the district earned \$33,330 in interest on these funds for the 1999-00 school year.

The district offers all employees who work a minimum of 20 hours per week full coverage on health insurance. The district offers a choice between a traditional plan and a point of service (POS) plan. Both of these plans include a level of prescription coverage. The traditional plan offers 80% prescription cost coverage after a deductible is met. The POS plan offers enhanced prescription coverage with minimal co-pay. The district has contracted with a private firm to offer additional prescription benefits to the main office employees. The majority of these employees are covered under the traditional plan for medical insurance, but they desired the

enhanced prescription program that is part of the POS Plan. The central office employees negotiated to obtain the separate prescription plan. The district also offers dental coverage through another private provider. The district's employees do not pay any health, prescription or dental insurance premiums.

Last year, the district initiated an incentive program that pays its employees \$1,000 annually not to take health insurance. Currently, 28 employees who have other health insurance coverage through a spouse have taken advantage of this program. The district estimates savings of approximately \$125,000 per year.

LGBR commends the district for using innovative methods to reduce health care costs.

For the 1998-99 school year, the district spent approximately \$3,560,566 on health benefits including medical coverage, prescription drugs and dental coverage. This figure includes a 1/3 allocation of the termination reserve fund in the amount of \$219,733, as this is an expense to the district. Although the district funded the termination reserve in the first year, LGBR is taking a conservative approach in allocating the amount over three years. As illustrated in the following table, the district's health benefits spending is less than two of the three comparison districts' costs.

District County	West Milford Township Passaic	Ewing Township Mercer	Fair Lawn Borough Bergen	Vernon Township Sussex	Three-District Average
# Cert. Employees	398	364	341	456	387
# Non-Cert. Employees	222	186	114	163	154
# Total Employees*	620	550	455	619	541
Health Insurance	\$3,560,566	\$3,059,585	\$3,896,680	\$4,609,996	\$3,855,420
Cost Per Employee	\$5,743	\$5,563	\$8,564	\$7,447	\$7,126

* The number of employees was obtained from the CAFR and is not audited.

An analysis was performed of the district's health care costs of approximately \$3,700,754 for the 1999-00 school year. This figure also includes the 1/3 allocation of \$219,733 from the termination reserve fund. The analysis compared what the district's cost would be if it enrolled in the State Health Benefits Plan (SHBP) with approximately the same level of coverage. The analysis also assumes that the district's employees currently covered under the traditional plan would also elect to be covered under the state's traditional plan; and that the employees currently covered under the district's POS Plan would enroll in the SHBP under NJ Plus. Keeping the district's current dental plan and enrolling all of its employees in the state medical and prescription plans would actually cost the district \$152,000 more than it is currently paying for similar coverage. The primary reason for this is that the state health benefits prescription plan requires a district to offer full prescription coverage to all employees. Currently, the district's employees who are enrolled in the traditional plan have a reduced prescription benefit. Adding these employees to the state's prescription plan would increase the cost of the benefits above what the district is currently paying.

Another analysis was performed having the district keep its current dental plan and enrolling all its employees in the state health benefits plan just for medical insurance. The district could not drop the enhanced prescription coverage without renegotiating employee contracts. Therefore, the district would then have to shop around with private prescription companies to replace the enhanced prescription coverage, as the state's traditional plan offers a reduced prescription benefit similar to what the district's traditional plan offers. Then the district would be able to split the prescription program, offering the reduced benefits to those employees covered under the traditional plan and the enhanced benefits to those employees covered under NJ Plus. This option would cost approximately \$599,158 less than the amount that the district is currently paying for similar medical coverage. The district could then use this amount to purchase the enhanced prescription benefits for approximately 233 employees (the POS covered employees plus the main office employees) that currently have that benefit. For example, the district is currently paying \$115 per month per employee to cover the 22 main office employees for enhanced prescription coverage. If the district purchased similar coverage for 233 employees at a cost of \$150 per employee per month, the annual cost would be \$419,400. The difference between this figure and the \$599,158 would be savings to the district. Naturally, if the costs per employee were lower or higher than the estimated \$150, the savings would vary accordingly.

Recommendation:

The district should consider enrolling in the SHBP for medical insurance coverage only. The district would then have available the sum of \$599,158 to purchase prescription benefits. Providing that the district was able to obtain prescription coverage for \$150 per month or less per employee, the difference between that amount and the cost of the prescription plan would be actual savings to the district.

Cost Savings: \$179,758

FACILITIES AND OPERATIONS

Overview

As districts throughout New Jersey attempt to balance the need to lower taxes with the responsibility of ensuring structurally sound, environmentally safe, and energy efficient educational facilities, building construction and repair costs continue to rise. Efficiencies and cost-cutting measures must necessarily consider the health and safety of students and staff.

The West Milford Township School District facilities consist of a high school and middle school located in the same complex with the transportation and maintenance garage, the administration, and one elementary school. Five additional elementary schools are scattered throughout the township. The district also owns the Hillcrest Community Center, which is currently leased to the West Milford Township Recreation Department.

Maintenance Operations

Maintenance management in West Milford is the responsibility of the supervisor of operations and environmental compliance. Other department employees include a full-time secretary, nine maintenance workers, a security guard and a messenger. The supervisor is responsible for the

scheduling of work assignments, budget preparation, supervision of staff, work order procedures and regulatory compliance. Evaluation of the maintenance staff is the responsibility of the supervisor.

Custodial Operations

The school district employs 37 full-time custodians to perform minor repair and housekeeping duties in the buildings. Supervision of the custodial staff is the responsibility of the building principals in concert with the supervisor. Principals are responsible for evaluating the performance of the custodians working in their buildings.

Custodial Staffing

Part of the review process consists of identifying custodial staffing needs utilizing an objective, quantitative, multi-step process based upon the size and use of the facility. The process entails:

- Review of any existing district work and time standards for the various cleaning tasks within the school facility.
- Review of the custodial labor agreements to determine the number of work-hours within a negotiated workday and then allowing for an off-task time factor of 25%. Off-task time is defined as scheduled work breaks, interruptions, emergencies, etc.
- Obtain floor plans of the facilities and insert task data into the following matrix adopted from “*The Custodial Staffing Guidelines for Educational Facilities*” published by the Association of Higher Education Facilities Officers and “*Good School Maintenance*” published by the Illinois Association of School Boards to determine the total cleaning time for each facility.

TYPICAL SCHOOL AREAS	AVERAGE SIZE SQ. FT.	CLEANING TIME IN MINUTES
CAFETERIA	10,000	150
CLASSROOMS	1,200	15
CORRIDORS	1,000	5
ENTRANCES	112	5
GYMNASIUMS	10,000	45
LABORATORIES	324	20
LIBRARIES/MUSIC ROOMS	15,000	30
LOCKERROOMS	1,960	25
OFFICES	1,200	8
OFFICES WITH CARPET	1,200	12
RESTROOMS	150	20
SHOPS/ART/HOME EC	1,200	30
STAIRWAYS	PER FLIGHT	8
TEACHERS' LOUNGES/CAFÉ	1,200	20
AUDITORIUM	10,000	150
MULTIPURPOSE/GYM/CAFÉ	10,000	210
MULTIPURPOSE	2,400	40

*NOTE: The average standard can be adjusted to reflect actual sq. ft. proportional to the standard sq. ft. for an activity.

- Divide this total of minutes by the total work-hour minutes available (after adjusting by the off-task time factor). The result is the headcount needed to clean the facility.
- Compare actual and theoretical employee counts to determine if any staffing adjustments can be recommended.

The review team completed the above analysis for the West Milford Township School District to determine the staffing required to perform cleaning assignments and to establish daytime requirements for basic (statutory) boiler maintenance and porter services.

The district employs a cleaning staff of 37 full-time custodians, which includes eight head custodians. The duties assigned to head custodians are considered in the survey as basic boiler and porter services, and these positions are removed from the number of available cleaning staff positions. The staffing analysis utilized illustrates that the district employs a below-average number of custodians based upon size and facility needs. The analysis determined that a staffing level of 34.32 day and night cleaning personnel was recommended to maintain sanitary conditions in a district the size of West Milford. The district employs 29 cleaning custodians. Most buildings are average in cleanliness, however, and there were a few complaints from parents and principals during interviews with LGBR staff. Therefore, an increase in staffing level may not be necessary at this time.

Cost of Operations

One of the tools utilized in the review process is the NJDOE Comparative Spending Guide. This guide compares the per pupil costs of school districts in the state with comparably sized districts (student enrollment of over 3,501) and those with like grade structures (K-12). Utilizing data for the three most recent years, the West Milford Township School District three-year average cost per pupil for operations and maintenance of plant ranked 40 (low to high) out of 92 comparable districts. Salaries and benefits for operations and maintenance of plant ranked 45 out of the 92.

An additional analysis compares West Milford with three districts that are similar in terms of type, size and socioeconomic factors. The complete comparison is included in a separate section of this review and is also based on information from the NJDOE Comparative Spending Guide. The school districts that were used for detailed comparison with West Milford were Ewing Township, Fair Lawn Borough, and Vernon Township. Fair Lawn Borough has been eliminated from the comparisons for maintenance and operations due to the extremely high costs associated with the district.

Based on the comparison of per pupil expenditures for selected cost factors for the 1998-99 school year for the three districts, West Milford's per pupil costs for operations and maintenance were 12.5% above the average, and 18.5% above the average for salaries and benefits.

An additional tool used in the review process for identifying potential cost savings in the area of operational costs within the school district includes the following:

1. Perform a square footage analysis for the district and compare the cost per square foot against regional benchmarks and other school districts reviewed by Local Government Budget Review teams. For regional benchmarking, the review team utilizes the *American*

School and University [ASU], a national publication for facilities, purchasing and business administration. The ASU performs annual maintenance and operations surveys of school districts around the country. It provides reports on the cost to operate schools [including payroll, outside contract labor, gas, electricity, heating fuel, equipment and supplies, etc.] on a regional level. Region 2 includes New York and New Jersey.

2. Identify and analyze budget lines and accounts that appear to be high in relation to regional benchmarks and/or similar school districts.
3. Provide areas for cost savings based upon programs and/or efficiencies identified in other school districts or municipalities that may be applicable in the district of review.

The following table summarizes the West Milford School District's cleaning, maintenance, grounds and utility costs per square foot for the 1998-99 school year:

CATEGORY	EXPENSE (\$)	EXPENSE (\$) SF	EXPENSE (\$) SF
	WEST MILFORD	WEST MILFORD	Oct 99 ASU
CLEANING			
Salaries	\$1,323,380	2.21	1.70
Overtime	\$117,043	0.20	0.00
Supplies	\$82,992	0.14	0.17
Contracts	\$0	0.00	0.00
Subtotal - Cleaning	\$1,523,415	2.55	1.87
MAINTENANCE			
Salaries	\$373,893	0.63	0.41
Overtime	\$25,831	0.04	0.00
Supplies	\$96,712	0.16	0.20
Contracts	\$424,080	0.71	0.28
Misc.	\$22,327	0.04	0.00
Subtotal - Maintenance	\$942,843	1.58	0.89
Total Maint./Cleaning	\$2,466,258	4.13	2.76
GROUNDS			
Salaries	\$120,053	0.20	0.21
Overtime	\$0	0.00	0.00
Supplies	\$10,227	0.02	0.09
Contracts	\$42,000	0.07	0.00
Subtotal- Grounds	\$172,280	0.29	0.30
UTILITIES			
Natural Gas	\$164,132	0.27	0.31
Electric	\$598,121	1.00	0.68
Water/Sewer	\$48,164	0.08	0.23
Other Fuel	\$25,079	0.04	0.24
Subtotal- Utilities	\$835,496	1.39	1.46
Total Grounds/Util.	\$1,007,776	1.68	1.76
Total Maint/Operations	\$3,474,034	5.81	4.52
INSURANCE	\$248,537	0.42	0.11
GRAND TOTAL	\$3,722,571	6.23	4.63

Source: 1998-99 Comprehensive Annual Financial Report (CAFR).

The overall costs for plant operations for the West Milford school district are 34% higher than the average costs determined by the ASU survey. Individual areas of higher than average costs are examined below.

Utilities - Electric

The dollar figure associated with the electric utility costs for the district includes lease payments related to a recent lighting retrofit. Removing the lease costs brought the utility expenditures in West Milford to within \$.02 cents of the average.

Custodial Salaries/Overtime

Despite the fact that West Milford employs fewer custodians per square foot than recommended, district salary and overtime costs in this area are \$.71 higher per square foot than the average determined by the ASU survey. One factor driving the costs in this area is higher than average salaries per position. While the national average salary for head custodians in 2000-01 was \$35,800, salaries in West Milford were \$39,308 at the elementary schools, \$44,817 at the high school, and \$40,864 at the middle school. In addition, West Milford has established, through the negotiated agreement, the positions of assistant head custodian at each of the elementary schools and assistant head custodian and 2nd assistant head custodian at the middle and high schools.

The district has not established salary step guides for the positions of head custodian, assistant head custodian or 2nd assistant head custodian at the middle school. Custodians have a three-step salary guide, and the positions of assistant head custodian at the elementary schools and 2nd assistant head custodian at the high school have a two step salary guide. Movement between steps occurs on July 1 of the subsequent year.

It is standard practice for high school buildings and larger middle school facilities to have a head custodian and a head night custodian position assigned to perform limited boiler and porter services during the second shift.

Eliminating the position of assistant head custodian in all of the elementary schools, and that of 2nd assistant in the high school and middle school, would save the district \$10,100.

Recommendations for savings through the Collective Bargaining Agreement can be found in that section of this review.

Maintenance Salaries/Contracted Services

The *1999 American School and University Annual Survey* recommends that a district similar in size to West Milford employ eight maintenance personnel. West Milford employs a staff of four general maintenance men, a general systems mechanic, a master plumber, a carpenter, an electrician, and an HVAC mechanic. Salary expenses for the maintenance staff, when compared to the ASU average, are \$.22 higher per square foot.

Preventive maintenance of HVAC equipment, mechanical systems repairs, and many plumbing projects require equipment which can be extremely unsafe with students and staff in the buildings. In addition, emergency repairs cannot be scheduled around Monday through Friday, 7

a.m. to 3:30 p.m. work shifts. Overtime costs for the 1999-00 school year for maintenance personnel totaled \$32,269, and would be reduced by negotiating rotating shifts for two or three of the members of the maintenance staff.

Recommendations for negotiated shift changes can be found in the Collective Bargaining Agreement section of this review.

Security

Issues that have faced city school districts for decades have edged outwards, infiltrating suburban and rural neighborhoods. Violence, drug use and the nationwide threat of school invasions have forced school boards to fund varying levels of policing methods. In some areas, public perception of vulnerability drives these expenditures.

Whatever the local circumstances, security personnel or police presence in public schools is a reality. Video surveillance, student ID's and emergency response plans are now commonplace. Recommendations to eliminate or to second-guess the district assessment of need for these preventive measures would be inappropriate. As with any other areas of expenditures, there are perhaps alternative methods of providing and financing school security.

West Milford has assumed a conservative approach to the question of security. The district employs one full-time security guard whose responsibilities include policing the buildings and grounds during off-hours. In addition, when large groups are utilizing buildings, additional custodial help is assigned to aid in crowd control and security.

TRANSPORTATION

A fundamental, and often controversial, component of school district budgets is that of providing a safe means for students to travel to and from school. The escalating costs associated with the safe and efficient transportation for New Jersey's public and private school students have received increasing attention from the media, state and local officials, and taxpaying residents. There are numerous factors that can affect transportation expenditures including management's knowledge of transportation; employee salaries and benefits; terms of negotiated agreements; privatization; competition for services; quality of route and vehicle specifications; geography; and board policies. The LGBR review process examines the level of service provided to the students in the district, as well as the costs of such services.

The State of New Jersey provides aid to qualifying school districts under the provisions of State Statute 18A:39-1 through 25, which stipulates that elementary school pupils who live more than two miles from their public school, or secondary pupils who live more than two and one half miles from their public school, are entitled to transportation to and from school. In addition, the statute grants students attending a remote school other than a public school, operated not for profit, located not more than 20 miles from the pupil's residence, transportation within the requirements of the New Jersey Administrative Code, Title 6:21-2 through 2.7. State statute

requirements include restricting the cost of non-public transportation to a stated yearly amount (1997-98, \$675/1998-99, \$702/1999-00, \$707). If transportation cannot be provided for this amount or less, parents are reimbursed the legislated amount.

There are several terms utilized to differentiate between students whose transportation to and from school is an expense recognized as necessary, and therefore qualifying for state aid, and those students whose services are provided for reasons of safety or other local conditions or policies. Students who reside a qualifying distance from the school are said to live “remote from the school house,” or are termed “eligible” referring to state aid requirements.

“Courtesy” busing is defined as transportation of students who reside two miles or less from the school for elementary grades and two and one half miles or less for the secondary grades. Under state guidelines, this transportation is unaided if provided. The term “courtesy” busing is used interchangeably by school districts with “safety” busing, “hazardous” busing and “ineligible” students, again referring to state financial aid qualifications.

West Milford Township is a kindergarten through 12th grade school district located in Passaic County. Encompassing approximately 78 square miles in a northern New Jersey lake region on the New York State border, the geographic makeup of the district offers many challenges to pupil transportation. The township road system is plagued with hilly terrain, sharp curves, blind intersections, and increasing traffic.

Comparative Analysis

One of the tools utilized in the review process is a comparison of the cost of transportation in the district under review with three districts that are similar in terms of type, size and socioeconomic factors. A complete comparison of district costs is included in a separate section of this review and is also based on information from the NJDOE Comparative Spending Guide. The school districts that were used for detailed comparison with West Milford include Ewing Township, Fair Lawn Borough, and Vernon Township. For the purposes of the transportation analysis, Fair Lawn Borough was excluded due to district makeup, i.e., primarily a walking district. The expenditures in the area of pupil transportation in Vernon Township were extremely high, and were also discarded.

Based on the comparison of expenditures as a percentage of total budgets for the 1998-99 school year for the three districts, West Milford’s costs were 5.1% of the budget and those in Ewing Township were 5.0%.

District Operations

The administrative office of the district transportation department consists of a transportation coordinator, a secretary, and a clerk/dispatcher. In addition, the transportation office is charged with 75% of the salary of a secretary in the business office. The remainder of the department includes 44 regular bus drivers, three substitute drivers, a master mechanic, one staff mechanic and a driver/serviceman/utility person. Services for regular to and from transportation are provided by both contracted service and in-district operations. Special education routes are outsourced through joint transportation agreements with the Sussex County Regional Cooperative

(SCRC) and the Passaic County Special Services School District (PCSSSD). In addition, joint agreements with adjoining school districts are actively pursued and effectively utilized to reduce costs.

Route Contracts

In an effort to control costs through the years, the district has combined district and private operations. West Milford solicits route bids on a regular basis, however the district is one of many in the state that receives bids from one, perhaps two companies, despite the fact that there are many bus companies operating in the area. Only two vendors participated when routes for the 2000-01 school year were bid.

The bid specifications utilized are well written and the routes are tiered effectively, providing an efficient vehicle for route cost savings. The lack of competition from bus companies, however, limits the amount that can be saved by outsourcing.

Joint Transportation Agreements

The utilization of commissions and cooperatives is recommended as a source of efficiencies. Specializing in combining the needs of several districts into cost effective routes, the role of these consortiums in pupil transportation in New Jersey has grown tremendously. There are several commissions in the state that have purchased buses and are competing with the private contractors. The majority of these commissions and cooperatives, however, write specifications, generate route packages, and handle the bid process for contracted route services. Management fees are charged based on the total cost of the routes. Actual management fees vary from commission to commission, with some fees as high as 7%. Management fees for route service through the two commissions processing West Milford routes average 5%. Just as privatization should not always be viewed as a quick fix for all district transportation problems, cooperative services are not always the most cost-effective method for attaining routes. In order for both of these to be effective, care must be taken in both the presentation of the information and supervision of the final product.

West Milford diligently assesses the services of the commissions, comparing costs, fees, and the ability of these cooperatives to aggressively seek out the most efficient route and district combinations. Rather than relying solely on the resident county commission, the district has utilized neighboring county services as well. This has not only saved monies, but has meant shorter bus rides for special needs students.

Route Configuration

The strategy of “tiering” bus routes is one of the methods utilized to increase efficiency and save transportation monies. Transportation efficiency in a public school district can be defined as ‘equal or improved services for fewer dollars’. When runs are combined or tiered, each vehicle is assigned to a group of runs, thereby utilizing the vehicle for as many hours during the day as is possible, without compromising instructional time. The basic principle of this efficiency is:

Yearly vehicle operational costs, i.e., lease or amortized cost, repair parts and labor, and insurance expense, are stable, regardless of how many trips the vehicle is assigned to during the course of the year. (Excluding fuel, driver salaries, benefits, etc.)

When these operational costs are applied to Vehicle A for Year 1 at \$15,000 and that vehicle is assigned to only an elementary school run throughout the school year, then the operational costs for that bus run become \$15,000. Assuming that the bus was a 54-passenger vehicle and that it held a full student load, the operational per pupil cost would be \$277.78. The same vehicle assigned to runs for a high school, middle school and elementary school in the morning and afternoon produces a per run cost of \$5,000 or \$92.60 per pupil.

The successful preparation of “tiered” bus runs requires bell schedules sufficiently spaced to allow buses to pick up a full load of students in between trips to the schools. The bell schedules in West Milford are aligned to accommodate both the academic day and the successful “tiering” of the bus runs. Bells in the high school and middle school are structured to accommodate combining these students on buses. The elementary schools have staggered opening and closing bells, so that a route can combine a high school/middle school combination with two elementary school runs. Kindergarten bells are staggered, which allows for tiering of these runs also.

In addition, several drivers are assigned to tiers that include one of the nonpublic schools located within the district.

District Drivers/Negotiated Agreements

The negotiated agreement between the West Milford Township Board of Education and the West Milford Bus Drivers Association is, for the most part, typical of such agreements throughout the state. However, there are items that are unique and perhaps indicative of historical differences between the bus drivers and transportation management.

An article in the agreement having to do with route assignments is particularly lengthy, and contains excessive detail related to various assignment scenarios. A clause concerning summer route work includes a penalty to be assessed to the school district for non-conformance with this article. In addition, there is a clause requiring formation of a joint committee to review the methods utilized to select routes. The need for clauses such as these may be related to the number of different supervisors who have been employed by the district over the past few years and the need to establish standardized procedures.

The current salary guide for bus drivers consists of only two steps, the first for drivers with from three months to two years experience, and the second step encompassing the remaining drivers. During the 1999-00 school year, 33 drivers were placed at the top of the guide at \$16.55 per hour, and 11 drivers received \$15.42 per hour. Developing a salary guide with additional steps would allow the district to decrease payroll costs as older drivers retire.

Recommendations regarding the negotiated agreement can be found in that section of this review.

Vehicle Purchases

The district operates approximately 35 full-sized 54-passenger school buses, 17 school vans with student capacities of 16 and 20, five wheelchair buses and eight Ford WindStar vans used primarily for special education routes. The district also owns nine Taurus sedans and various maintenance vehicles. These vehicles are maintained in-house by staff mechanics. In the past

three years, vehicles were acquired through lease purchasing, thereby minimizing capital outlay expenditures. In prior years, the district purchased used vehicles from districts throughout the state. Purchases of this type save monies initially, but can be more expensive when repair costs are factored into the equation, as older vehicles require more extensive and expensive maintenance and repairs.

Prior to the 2000-01 school year, the district went out to bid for six 54 passenger, type D buses and three WindStar vehicles. The bid included the sale of approximately 10 older 54-passenger buses. The conversion to newer vehicles will reduce repair costs.

The vehicle specifications utilized by the district for the lease-purchase of 54 passenger school buses are restrictive and discourage competitive bidding. Only two vendors participated in the bid process, although bids were sent to eight companies. The lack of competition is directly related to the use of vendor specifications.

The use of vendor specifications, and the associated lack of competitive bids, cost the district unnecessary dollars. Similar vehicles bid competitively in other districts in North Jersey have ranged in price from \$62,800 to \$65,000. However, the vehicles purchased by West Milford for the 2000-01 school year were priced at \$69,800, or approximately \$4,500 more than those procured through a competitive bid.

Recommendation:

LGBR recommends that the district develop competitive bid specifications that are not vendor-specific, thus realizing savings for the taxpayers of approximately \$4,500 per vehicle.

Cost Savings: \$26,000

Administration

The public school management of pupil transportation is too often relegated to inexperienced secretaries or ex-bus drivers whose only qualifications are knowledge of the school bus routes and the geographic area of the district. The job today requires an understanding of budgetary consequences and operational costs, as well as the ability to adapt to changing legislation and local district needs.

West Milford's transportation coordinator has been with the district for a year. Prior to this position, she was a transportation supervisor in Hunterdon County for approximately one year. She spent several years as the Safety Trainer for a large district.

In comparison with other school districts, the West Milford transportation office appears to be somewhat over-staffed for the size of the district. In addition to the transportation coordinator, the district also employs a transportation secretary, a clerk/dispatcher and utilizes a portion of a secretarial position in the business office. The computerized record keeping for vehicle maintenance is the responsibility of the master mechanic, and bus routing is computer generated.

Recommendation:

District officials should consider assigning to existing staff in the transportation department those transportation duties currently relegated to the secretary in the business office. The transportation supervisor needs to assume a greater portion of the workload as is the practice in other districts of the same size throughout the state. A re-alignment of job responsibilities within the department, and increased involvement in trip assignments on the part of the bus drivers, will increase efficiency and cut expenditures.

Route Costs

As a general rule, privatization of services is a recommended method of cutting costs. However, with an increasing number of districts throughout the state experiencing a lack of competition for pupil transportation bids, the costs of privatized services have risen dramatically. This trend extends into the services offered through the county commissions and cooperatives as well. West Milford utilizes a mix of district and vendor routes, along with joint transportation agreements and the use of transportation commissions to control transportation costs.

LGBR commends the district for the efforts put forth in the area of route assignments. There is a history of adaptive strategies utilized to control costs without sacrificing student safety or parental needs.

Courtesy Busing

Courtesy busing is defined as transportation provided for students who do not meet the state profile for eligibility for transportation to and from school. As stated earlier in this review section, pupil transportation is governed by statute and school districts are provided with state aid for students who reside “remote” from the school.

School Year	Courtesy Students	Regular Students
1997-98	1,688	2,913
1998-99	1,699	2,802
1999-00	1,703	2,827

LGBR recognizes the futility of recommending the abolition of courtesy busing, particularly in an area such as West Milford where the schools are located in a rural area with few sidewalks.

Recommendation:

District officials should consider conducting an annual assessment of hazardous areas to ascertain the continued need for safety busing.

Several of the district elementary schools are located within developments and busing these students cannot be considered “hazardous.” A conservative estimate would be that six runs (a combination of regular runs and kindergarten services) could be eliminated. This represents approximately 12 hours per day, 180 days per school year. At the 1999-00 rate of \$16.55, the approximate savings would be \$35,748.

Cost Savings: \$35,748

Extracurricular Transportation

Transportation for field and athletic trips is provided through district services. Trips are assigned to regular drivers utilizing a seniority list, and substitutes are utilized to cover missed bus routes. Kindergarten runs that are missed due to trip work are offered first to alternate kindergarten drivers, who are also contracted drivers.

The cost of extracurricular transportation totaled approximately \$94,000 for the 1998-99 school year. This expense however does not appear to be driven by a cost factor within the transportation department, but rather by district decisions involving the number of trips allowed per grade and per athletic team.

Management of the assignment of extracurricular work is cumbersome and requires many hours of clerical time. The procedure outlined in the negotiated agreement that allows regular drivers to take trips during contracted hours opens the door to expensive errors. Without extensive record keeping, the possibility exists that drivers will be paid twice for the same time.

Non-Public Transportation

Students attending private or non-public schools are entitled to transportation under the same statute and guidelines that govern public school student transportation, i.e., elementary school pupils who live more than two miles from their school or secondary pupils who live more than two and one half miles from their school are entitled to state aided transportation. However, such transportation must meet other requirements. One of these requirements limits the cost of transportation for non-public students to a mandated amount, which is determined by the state each year. When the costs of transportation exceed this amount, the district must reimburse the parents for providing their own transportation to and from the non-public school. The amount of the reimbursement to parents is restricted to the statutory amount.

In addition, parents requesting non-public transportation for their children must file applications with the district by set deadlines, meet distance requirements, and have their children enrolled in a not-for-profit nonpublic school.

During the year of review, 1998-99, West Milford provided transportation to 271 non-public students and paid aid-in-lieu of transportation to the parents of 118 students. The team reviewed the number and location of the schools attended by West Milford non-public students, and although the district reimburses a large number of non-public parents, it is a reasonable expense.

Recommendation:

LGBR recommends that the district continue to assess applications for non-public school transportation on a yearly basis to determine if the number of families reimbursed for transportation can be minimized.

Vehicle Maintenance

Vehicle maintenance is one of the most important elements in a safe and efficient pupil transportation operation. The entire community has a stake in the effectiveness of the bus garage staff. The fleet of school vehicles represents a major capital investment on the part of the district

and the local taxpayers. Parents have the right to assume, and demand, that the vehicles transporting their children contain the latest in safety equipment, and that strict maintenance procedures are being observed.

The transportation maintenance garage is located on a large campus that includes the bus compound, transportation offices, administration building, the high school, middle school, and an elementary school. The building is wood frame, with one bay and virtually no storage area. Items are hung on the walls rather than secured in a separate space. With only one bay available, buses that require ordered parts to complete the repair are often pushed out into the compound so that another vehicle repair can be performed.

Based on the data provided, i.e., the vehicle/equipment inventory, the district owns and maintains 57 school buses, 12 trucks, eight WindStar Vans and 12 sedans. The district employs a master or head mechanic, one full-time mechanic and a serviceman/utility/driver, or the equivalent of 2.5 mechanics to maintain 89 pieces of equipment.

A combination of lack of work area and minimum staffing necessitates extensive overtime (over \$35,000) in order to accomplish the district objective of safeguarding the students and the community investment. Without larger facilities, additional manpower would not decrease the overtime.

The department utilizes a computerized fleet management program, which allows the head mechanic to control inventory, work orders, maintenance and repair histories and to schedule preventive maintenance and assure compliance. In addition, fuel and oil consumption for each vehicle is recorded and reports are utilized to assess performance.

The garage is well run and the operation is cost-effective despite the need for overtime. School buses are repaired in a timely manner. The required federal and state paperwork is readily available and in the proper order.

Recommendation:

District officials should consider including the facility needs of the transportation department in any future bond issue and building construction program.

FOOD SERVICE

An extensive review was conducted of the district's food service program. This included interviews with the food service supervisor and other personnel, visits to school kitchens and cafeterias to observe operations, and the analysis of various documents. A careful analysis was done of the financial records as reported in the Comprehensive Annual Financial Report (CAFR) for the years ending June 30th 1996-97 through 1998-99.

According to budget guidelines, if a district receives state and/or federal reimbursement for food service costs or collects fees from students for the cost of meals, the entire food service operation

activity must be recorded in a separate enterprise fund rather than in the general fund of the budget. Any contribution made by the board toward the food service operation is reported as a lump sum contribution transferred to cover any deficits. These costs should not be included elsewhere in the budget. Enterprise funds are used to account for operations that are financed and conducted in a manner similar to private business enterprises, with the intent that the costs of providing goods or services be financed through user charges.

The West Milford Township School District appropriately records the operation as an enterprise fund. However, there were two recommendations in the 6/30/00 Auditor's Management Report regarding verifying meal counts and proper approval of all vouchers.

The district has eight production kitchens located in the high, middle, and six elementary schools. School lunches, food for meetings and special functions are prepared in the production kitchens. Upper Greenwood Lake is the only school qualified for the breakfast program and breakfast is served there. Production kitchens generally provide higher quality meals and offer more flexibility to tailor meals to student preferences. However, full service kitchens are generally more costly and require more staff than satellite kitchens. West Milford Township currently charges \$1.65 for student lunches in the elementary schools, \$1.90 in the middle school and \$2.00 in the high school. Teachers and staff members can purchase lunch for \$3. The district is charging \$.60 for breakfast in the Upper Greenwood elementary schools and \$1 for the adult breakfast.

The number of student seatings for lunch varies and depends somewhat on the size of the school. During lunchtime, the cook collects cash on each meal. The team observed that one lunch seating needed more than 25-minutes to serve lunch and collect the cash. Those students waiting at the end of the line may have an insufficient time to eat lunch.

Staffing for the food service program totals 38 employees, including 21 cafeteria workers, eight cook managers, seven assistant cooks, one business aid and one supervisor. Cafeteria workers work 3.5 hours a day or 17.5 hours a week and receive no benefits. The assistant cooks, cook managers, supervisor and the business aide work five to seven hours a day and receive full benefits. Benefits include dental and medical insurance, sick leave and paid holidays. Four cafeteria staff employees received reimbursement of \$1,000 for not enrolling in the medical insurance program. Two employees receive longevity payment of \$200 a year. The average medical benefits cost for each food service worker is \$6,263. The hourly salaries for the food service employees range from \$10.81 to \$15.31 per hour.

An analysis of the district's food service labor, lunch and breakfast costs was conducted in accordance with standards and formulas used by the food service industry to assess the program's efficiency and productivity. An efficient and productive food program is determined by the average meals per labor hour (MPLH) calculation. The average meals per labor hour is calculated by dividing the total average daily hours worked by the average daily meals (including breakfast and a la carte equivalents) served by a school. According to food service industry standards, a food service program should be able to produce at least 15 MPLH. Any number below the standard number of 15 MPLH could possibly indicate that the district has a lower productivity rate. The lower productivity rate indicates that the district has too many workers on

the payroll or the workers are allowed to work too many hours. The average number of meals per labor hour for the West Milford Township School District is 14.46, which includes the labor hours of the supervisor and the business aide. This is very close to the market goal of 15. As for individual schools, the higher productivity is in the Paradise Knoll, Apshawa, Marshall, Upper Greenwood Lake and Westbrook Schools. Maple Road School has the lowest productivity among the schools in West Milford with 9.24 meals per labor hour. The following table illustrates the productive and participation rates of each school for school year 1999-00:

Location	Meals Per Labor Hour	Participation Rates
Paradise Knoll	18.31	71%
Marshall	16.00	64%
Apshawa	18.40	62%
Upper Greenwood	16.44	64%
Maple Road	9.24	49%
Westbrook	17.28	65%
Macopin	13.12	64%
High school	14.72	69%
Districts' Average**	14.46	63.6%
**Included supervisor's & business aide's hours.		

Participation rates in West Milford averaged 63.6% in school year 1999-00. Participation rates were calculated based on the average daily enrollment. The fact that a high number of children are participating in the lunch program indicates a good level of satisfaction with the program among students. A high participation rate can impact the kitchen's operating efficiency, benefiting the economies of scale in food purchases and preparation.

The review team conducted a food service cost-effective analysis for the district. The following table illustrates the district's expenses versus income and comparisons with the market for school year 1998-99.

Food Service	West Milford Township 1998-99	Cost as % of Income	Market Rate % Range
Total Income*	\$1,049,549	100%	100%
Cost of Goods*	\$424,648	41%	39%-45%
Payroll**	\$551,685	53%	40%-45%
Supplies and Materials	\$35,801	3%	4%-5%
Miscellaneous	\$14,099	1%	.2%-.5%
Total Expenses	\$1,026,233	98%	
* Excluded USDA Commodities ** Included employee benefits			

Food service expenses were 98% of income in 1998-99. The cost of goods for West Milford was within the market rate range. Labor costs for West Milford were 8% to 13% higher than the market. The respective costs of staff salaries and commodities were the two greatest expenses in the district's enterprise fund and, therefore, had the greatest impact on the cost per lunch.

The following table illustrates the district's meal counts for the three school years 1996-97, 1997-98 and 1998-99.

		1998-99	1997-98	1996-97
School Lunch	Paid	270,097	274,952	234,418
	Reduced	13,398	18,325	14,598
	Free	37,680	38,941	44,974
	Total	321,175	332,218	293,990
Breakfast	Paid	3,177	2,381	1,996
	Reduced	576	417	-
	Free	7,763	9,644	10,287
	Total	11,516	12,442	12,283
Special Milk	Paid	31,140	34,632	33,083
	Free	3,718	2,801	2,635
	Total	34,858	37,433	35,718

The total lunch counts or number of participants decreased 3.44% between school years 1996-97 to 1998-99. The total number of breakfast participants decreased 8%.

The students in elementary school have a 35-minute lunch with no playtime. However, students receive 20 minutes recess time during the day. Recess time schedules are set for different grades at different times. During lunchtime, two lunch aides serve on lunch duty to supervise the students and handle the free and reduced lunch counts. Teachers are not assigned to work in the elementary lunchroom to supervise students.

The students in the middle and high school have 43-minute lunch periods. During lunchtime, three to four teachers and two lunch aides are on lunch duty to supervise the students. This is part of their responsibility as listed in their contract.

Identification of a surplus or deficit in the food services enterprise fund is normally an indication of whether the fund is self-sufficient and operating efficiently. The following table illustrates the actual net income and loss for the food service program for school years 1996-97 to 1998-99:

	1998-99	1997-98	1996-97
Operating Revenues:			
Daily Sales-Reimbursable Programs:			
School Lunch & Breakfast Program	\$479,204	\$473,235	\$418,360
Total Daily Sales-Reimbursable Programs	\$479,204	\$473,235	\$418,360
Non-Reimbursable Programs	\$371,303	\$348,097	\$347,016
Special Functions	\$11,840	\$9,839	\$12,587
Total Non-Reimbursable Programs	\$383,143	\$357,936	\$359,603
Total Operating Revenue	\$862,347	\$831,171	\$777,963
Non-Operating Revenues:			
State School Lunch Program	\$15,912	\$16,723	\$15,636
School Breakfast Program	\$9,406	\$10,865	\$10,861
National School Lunch Program	\$142,477	\$150,372	\$144,849
Special Milk Program	\$4,743	\$4,817	\$4,541
USDA Commodities	\$44,702	\$36,020	\$37,909
Miscellaneous		\$1,167	\$321
Interest revenue	\$14,664	\$21,489	\$12,923
Total Non-Operating Revenues	\$231,904	\$241,453	\$227,040
Total Revenue	\$1,094,251	\$1,072,624	\$1,005,003
Operating Expenses:			
Salaries	\$446,062	\$431,038	\$414,014
Employee Benefits	\$105,623	\$124,551	\$128,227
Purchased Professional Services			\$1,000
Purchased Services	\$14,099	\$5,348	\$7,120
Supplies and Materials	\$35,801	\$27,100	\$26,322
Depreciation	\$2,005	\$2,710	\$4,776
Cost of Sales	\$469,350	\$460,917	\$406,056
Total Operating Expenses	\$1,072,939	\$1,051,663	\$987,515
Net Income	\$21,311	\$20,960	\$17,488

The food program in West Milford Township has been operating at cumulative net incomes of more than \$17,000 over the past three years. Overall, the food service program for the West Milford Township School District is running effectively and profitably.

Recommendations:

1. In order to meet the standard of meals produced per labor hour (MPLH), the district should review the workers' schedule in those schools with low MPLH. The district should consider reducing the number of work hours in the kitchen to improve the productivity rate.
2. Under the current system, students in some elementary schools take more than 20-minutes waiting on line to get lunch, which is inefficient. Also the elementary schools have more than one hour for lunch and recess, which is not practical. The district

should increase the available instructional time by reducing the lunch and recess time. The team suggests that the district combines recess and lunch together and reduces the total time to 40-minutes, which includes lunch and 15 to 20-minutes playtime. Classes would rotate between eating lunch and participating in playground activities. A physical education teacher could be assigned to provide instructional activities during the recess. To achieve this goal and speed up the purchase of lunches, it will require the prior collection of lunch money in classrooms. A weekly ticket or daily meal tickets can be offered at the beginning of the week. A small discount for weekly meal tickets could encourage early purchases. With this change, the cafeteria staff can concentrate on serving food and avoid cash variances during busy hours.

BOARD OF EDUCATION

Policies & Procedures

The West Milford Township School District is governed by an elected board of education composed of nine members, who serve overlapping three-year terms. There is also a high school student representative at public board meetings during the school year. The board members normally hold meetings three times per month during the school year, including one night for committee meetings, a workshop meeting and the regular monthly public meeting. Matters for forthcoming meeting agendas are discussed at workshop meetings. The board president presides at all meetings and appoints the membership of all committees, unless otherwise directed by the board.

The superintendent of schools or his delegate, in consultation with the board president, is responsible for the preparation of the agenda. Any board member wishing to place an item on the agenda communicates with the superintendent or board secretary. The West Milford Township school board relies heavily on a standing committee system, where practically all matters are filtered through a board committee. The board agenda is organized on a committee chairperson report basis, with agenda items grouped under committee headings.

Board committees include education, personnel/student affairs, policy, negotiations, and budget and finance/transportation/operations/capital improvements. The superintendent makes recommendations regarding personnel decisions. Also, the superintendent, business administrator/board secretary and board attorney issue reports and/or discuss correspondence at board meetings.

Members of the public are entitled to speak prior to formal reports of the board committees for a period of 30 minutes with a maximum of five minutes for each petitioner. At the conclusion of the meeting, a second opportunity for public comments is provided within the same guidelines.

The board considers as one of its primary functions the development of policy to serve as guidelines and goals for the thorough and efficient functioning of the West Milford Public Schools. Board policy states that board members have authority only when acting as a board

legally in session. No member, by virtue of his/her office, exercises any administrative responsibility with respect to the schools, or as an individual, commands the services of any school employee.

During 1999-00, the board of education action plan included the following objectives:

1. To develop a plan of action and support from the community to enable passage of the proposed 2000-01 school district budget.
2. To develop an improved and updated version of the board policy manual through a systematic and comprehensive review process.
3. To identify all of the options that the board should consider in addressing the issues related to the increase in student population.
4. To develop and implement a plan to complete the installation of the district's technology network in all schools.
5. To develop a plan of action to establish a five-year cycle for preparation of district students to attain improved performance on state-mandated testing.

The review team notes that the budget was passed and the policy manual update was in progress at the time of the review. While wiring within several school buildings continues, all schools are connected to the network. Also a School District Housing Report was presented in June, 2000. School principals, in particular, are involved in efforts to improve student performance on state tests.

The general administrative organization of the district is known as the single executive type of school administration with the board as the governing body, and with all activities under the direction of the superintendent of schools, unless contrary to existing statutes. An organization chart for the district designates clearly the relationships of employees within the district organization.

The review team interviewed all board members and central office administrators and school principals. The team also scanned the policy manual, read the board minutes for the past 18 months and attended several board meetings. A number of board members and staff volunteered favorable comments about the present membership of the board of education. Board members expressed serious commitment to provide good quality education at a reasonable expense. Discussions at board meetings confirmed continued individual board member concerns about maintaining cost effective school district operations.

Board/Superintendent Relations

The board of education has a history of employing superintendents for a relatively short duration. Since 1969, the district has employed eight different superintendents, exclusive of temporary appointments. Five superintendents remained on the job for only 2.5 years to three years. One superintendent had employment for nine years and four months. The district also had two periods of nine and ten months duration when there were interim superintendents. A number of the interviewed persons commented upon the significance of the constant change in top leadership upon district personnel, programs and community relations.

Recommendation:

Frequent superintendent searches and contract terminations result in considerable expenses for school districts. Brief periods of employment of the chief school executive produce erratic shifts in vision and planning for the district and do not allow sufficient time for program implementation. Reasonable continuity in top leadership can be expected to enhance the efficiency and effectiveness of district operations. The board of education should strive to provide consistent top professional leadership for the district in the future.

New board members attend local orientation sessions on a list of topics, including finance, policy, budget, educational overview, personnel contracts, business office functions and board meeting purposes and procedures. Board policies make a distinction between policy making and administration and the board members have been active in attending New Jersey School Board's orientation programs, conferences and workshops. Yet, there are some persons who perceive the board as becoming too involved with administrative matters on a regular basis. Others have commented upon a perceived lack of initiative by some past central office administrators in providing direction for the district. Numerous standing committees, which meet privately in accordance with law, provide common avenues for board member involvement in administrative matters.

Recommendation:

The board of education should periodically examine its relationship with central office administrators and in particular the position of superintendent. The board should endeavor to make reasonably clear distinctions between policy and administration.

Community Complaints and Inquiries

West Milford Township covers a large geographic area, with several distinct communities and four post offices. Many residents remain very committed to concerns and interests associated with the community of residence. Differing perceptions and opinions within the local citizenry often result in spirited and sometimes contentious public debate and petition. Dissemination of information and provision for two-way communication within the township remain as challenges.

Board members generally welcome inquiries about and constructive criticism of the district's operations, programs, facilities and personnel. Adequate communications within any organization are fundamental to effective operation. Board members expect to be kept informed about significant events and critical incidents in the administration of the school district. Administrators expect to be kept informed about community concerns with any school activities.

Most districts have a policy and procedure whereby complaints and grievances are presented by the complainant at the classroom or school level for initial efforts at resolution. West Milford has a policy concerning conflict resolution, which channels complaints through procedural steps. A grievance is initiated by submitting a conflict resolution review form. Each school level establishes procedures for the consideration of pupil grievances and for processing their appeals. The New Jersey School Board's policy reference manual suggests that, when presented with

complaints or inquiries, individual board members refer such matters to the chief school administrator. Only in instances where district personnel are unable to resolve the matter to the satisfaction of the complainant should the matter be referred to the board of education.

Recommendation:

Parental and citizen complaints should be processed consistently through the designated channels in a manner that respects the lines of district authority and responsibility and the working relationships of those employees responsible for school functions. Individual board members, who are contacted directly by citizens with a complaint or grievance, should encourage the person to follow the pertinent policies and procedures.

Board Member Expenses

All board member expenses are recorded in the miscellaneous account. The review team conducted an analysis of the miscellaneous account in order to identify the expenses incurred by the board members for the 1998-99 school year. It revealed that most of the expenses were paid for membership dues (\$18,045), subscriptions (\$3,545), election (\$16,219), advertisements (\$28,206), supplies (\$542), recognition awards (\$5,669), food (\$2,162), retreat (\$2,186), conferences (\$6,650) and miscellaneous (\$2,653). Advertisement costs were relatively high in 1998-99 due to the search for a new superintendent. The district does not have a separate account to record board member expenses.

The district, in partnership with West Milford Education Association, has a recognition award of \$500 each for the best teacher(s) of the year from each school. In 1998-99, the district expended a total of \$5,669 for this recognition award program and the local teachers' association reimbursed half of this cost. The district incorrectly reported this expenditure to function 230 instead of function 240.

The board retreat is held each year outside of the normal in-school meeting location. The purpose for this retreat is to provide a quiet environment for the board members and the executive administrators to enhance communications and to discuss relationships, strategic planning, curriculum, etc. The board has a policy governing expense reimbursement for board members. Overall, expenditures for the board appear to be appropriate.

Recommendation:

- 1. The district should consider creating a new extended miscellaneous account to record board member expenses. The team realizes that this proposed new extended board member expense account is not required by the Department of Education, but it would provide a clear picture of board member spending for the district's own information and monitoring.**
- 2. According to the Department of Education budget guidelines, teachers' awards should be recorded in the school administration function under the miscellaneous account.**

III. COLLECTIVE BARGAINING ISSUES

An area that frequently presents significant opportunities for savings is negotiated contracts. While they represent opportunities for savings, the savings and contract improvements are most likely to occur incrementally through a well-conceived process of redeveloping compensation packages to be equitable and comprehensive. For this reason we present those issues subject to collective bargaining agreements separately in this section.

Any of the recommendations in the following sections, which involve changes to the negotiated agreement, necessarily would require negotiations and agreement by the respective parties in order to be implemented. Review team analysis of those provisions of the contract that have a financial or productivity impact and the related recommendations are presented in bold type in the following paragraphs.

EDUCATION ASSOCIATION

The agreement with the West Milford Education Association (WMEA), effective 1997-2000, covers teachers, unassigned teacher/substitutes and nurses, whether on assignment or on board authorized leave. The 39-page document contains 25 articles and eight related schedules of specific terms and conditions. This report will deal with those aspects of the contract that have productivity and/or financial implications for the school year 1999-00, which is one of the years being analyzed.

School Calendar

The maximum number of reporting days for 10-month employees is 184, two of which are in-service days, plus five additional emergency days as determined by the board. By mutual agreement, the administration may ask guidance counselors to report for work for up to four days before the students' reporting date, with the provision that the counselors will be released from their duties an equivalent number of days before the end of the school year.

The last school day before Christmas and the Wednesday before Thanksgiving are early dismissal days. Four additional sessions of 1.25 hours per day for professional development/training activities are included in the work year. These days are separate from current practices for faculty meetings, child study team meetings, etc.

Sabbatical Leave

The contract provides for sabbatical leave(s) to professional employees for study, research, or educational work experience for one year at full pay. The teacher(s) must have seven years experience in the West Milford School District and agree to return to work in the district for a period of three years after the leave. No more than 2% of the bargaining unit can be granted sabbatical leave and all leaves require board approval. Any other compensation received by a staff member during a sabbatical leave is reduced from the district salary.

Reportedly, no paid sabbatical leaves were taken within the past two years.

Sick Leave

All employees who are steadily employed full-time are allowed 12 sick leave days with full pay. All days of allowable sick leave not utilized in any year are cumulative. Employees under tenure who exceed their accumulated sick leave may be entitled, with specified limitations, to regular pay less the cost of a substitute or replacement.

Upon certified retirement, in 1999-00 a teacher receives \$75 for each unused sick day accumulated in West Milford, less the number of personal business days used from the beginning of employment in the district.

The maximum benefit for unused sick leave does not exceed \$7,500 for employees hired effective September 1, 1985 and after.

The district is commended for establishing the \$7,500 CAP on individual sick leave payments. However, the district continues to expend annually a considerable amount of money for unused sick leave days for retirees who were hired before September, 1985. For example, there were 25 individuals who retired June 30, 1998, and received from \$22,100 to \$41,379 each, payable in three equal annual installments over three years. The total payments for unused sick leave exceeded \$550,000 in 1998-99 and \$450,000 in 1999-00.

There are also provisions for payment of sick leave for up to one year for service-connected disability in accordance with statutory law.

Personal Leave

Teachers are entitled to up to five non-cumulative personal leave days per year, including illness in the immediate family, two days for personal business, marriage, school visitation and observation in other school systems, specified legal proceedings, and summer school attendance.

Death in the Immediate Family

Up to five days paid leave is granted for death in the immediate family, as defined.

Leaves of Absence

The conditions for various types of unpaid leaves for the anticipated birth of a child, the de facto adoption of a child, or for caring for a sick member of the immediate family are set forth in the contract.

Teachers' Salary

All new permanently certified teachers may receive one year's credit for each two years of related experience in private or parochial school or in industry if recommended by the superintendent and approved by the board. Full credit for military service is given at time of employment to a maximum of four years. Full standard certification precedes the granting of salary column change for graduate credits. The granting of a salary increment as set forth in the salary schedule is not deemed automatic.

Schedule A- West Milford Teachers' Salary Guide – 1999-00

Years	Step	Bachelors	BA + 30	Masters	MA + 30	MA + 60	UNT/S*
1	A	\$34,800	\$36,600	\$37,400	\$40,100	\$41,200	\$27,800
2	B	\$35,400	\$37,250	\$38,300	\$40,800	\$41,600	\$28,400
3	C	\$36,000	\$37,850	\$39,000	\$41,700	\$42,300	\$29,000
4	D	\$36,600	\$38,500	\$39,700	\$42,400	\$43,400	\$29,750
5	E	\$37,400	\$39,500	\$40,700	\$43,350	\$44,450	\$32,300
6	F	\$38,300	\$40,500	\$41,650	\$44,500	\$45,600	\$32,500
7	G	\$39,600	\$41,850	\$42,950	\$46,000	\$47,100	\$35,100
8	H	\$41,400	\$43,700	\$45,000	\$48,050	\$49,150	
9	I	\$43,200	\$45,650	\$47,000	\$49,900	\$51,600	
10	J	\$46,300	\$49,450	\$51,100	\$54,300	\$56,450	
11 or 12	K	\$50,100	\$53,900	\$55,650	\$59,000	\$61,250	
	L	\$54,000	\$58,400	\$60,200	\$64,350	\$66,650	
Over 12	M	\$59,500	\$64,200	\$65,850	\$72,050	\$74,750	

*Unassigned Teacher Substitutes

The West Milford Township School District median teachers' salary for 1998-99 was \$63,150, which ranked 83rd (low to high) among 91 school districts with enrollments of 3501+. In 1999-00, the \$64,700 median teachers' salary ranked 87th.

In 1998-99, the West Milford support service median salary was \$63,875, which ranked 59th among comparable size K-12 districts. In 1999-00, the support service median salary increased to \$65,525, with a rank of 65th out of 91 school districts.

Longevity

Longevity increments of \$500 for 15, 20, 25, 30, and 35 years of experience and \$350 for 40 and 45 years are granted for teaching experience within the district and to teachers presently receiving longevity under existing practice. This provision does not apply to employees hired effective September 1, 1991 and after.

Longevity payments for 188 teachers totaled \$219,500 in 1999-00. The individual payments ranged from \$500 to \$3,000 and averaged \$1,168.

Athletic Activities Guide

Coaching stipends for 1999-00 range from \$2,010 to \$8,155.

Full credit for experience is limited to West Milford Township School District experience. A person progressing from assistant to head coach is given credit on the guide for time spent in the district as assistant coach in that sport. Each coach receives a \$55 expense allowance reimbursement per season.

Special Services

Learning disabilities consultants, social workers, reading, speech and special education teachers employed prior to July 1, 1979 receive a stipend of \$300 per annum. School psychologists receive a stipend of \$1,400.

Seven child study team members received stipends ranging from \$300 to \$3,300, which totaled \$10,700.

Extracurricular

In 1999-00, the high school had 20 position titles with stipends ranging from \$374 to \$7,025. The middle school had five stipends ranging from \$741 to \$1,579 and there were three K-12 position titles with stipends from \$100 to \$1,505. Chaperons were paid \$56 per event and club/activity advisors were paid \$21 per hour. Overnight trip chaperons received \$89 per night.

Tuition Reimbursement

For employees with one or more years of in-district service, the board reimburses professional employees for tuition costs, as prescribed by contract terms, for a maximum of 18 graduate credits within a school year. Total reimbursement to teachers cannot exceed \$70,000 in 1999-00. The district also pays the full costs of tuition and other reasonable expenses incurred in connection with any courses, workshops, seminars, conferences, or in-service training a teacher is required or requested by the superintendent or his designee to take.

Teaching Hours and Teaching Loads

Teachers are not required to report for duty earlier than 15 minutes before the opening of their pupils' school day and are permitted to leave 15 minutes after the close of their pupils' school day. Teachers have daily duty-free lunch period of at least 30 minutes in the elementary and middle schools and one full period in the high school.

All reasonable attempts are made to avoid:

- Changing middle and high school teaching stations more than three times a day and teaching more than three periods successively.
- Continuous teaching by elementary teachers of more than 2.5 hours.

Teachers in the elementary schools are accorded a preparation period each teaching day, except in the event of an emergency, which will be made up within a reasonable time not to exceed 10 days.

Scheduled evening meetings are limited to three for both high school and K-8. Beginning in the 1998-99 academic year the middle and high school teachers' instructional day was lengthened by 16 minutes, which extended their workday by an equal amount.

In-Service Credits

The district in-service program credits may be used towards advancement on the salary guides as stipulated. Each 1.5 hours of class time equals .1 of an in-service credit. Teachers may utilize only 15 in-service credits towards advancement on the salary guide at each level.

Supervision of Student Teachers

Each cooperating teacher is provided with release time with pay for attendance at regularly scheduled orientation and evaluation sessions required by the student teacher's college or

university. Also a cooperating teacher is not given additional assignments outside his/her regular responsibilities during the period of student teacher supervision.

Protection of Teachers, Students and Property

The board reimburses the reasonable cost of any clothing or other personal property damaged or destroyed as a result of an assault suffered by a teacher while acting within the scope of employment in the discharge of his/her duties.

ADMINISTRATORS AND SUPERVISORS ASSOCIATION

The association represents principals, vice-principals, coordinators, teaching supervisors, supervisors/coordinators, adult/community school director and athletic director, or a total of 22 persons. The most recent agreement contained 15 articles, 19 pages and covered the period July 1, 1997 to June 30, 2000.

Sick Leave

Association members are allowed annual sick leave in accordance with respective position reporting days as follows:

220 reporting days - 14 sick days;
206 reporting days - 13 sick days;
194 reporting days - 12 sick days; and
190 reporting days - 12 sick days.

All days of allowable sick leave not utilized in any year are cumulative to be used for additional sick leave in subsequent years. Upon certified retirement, employees receive \$75 per day for unused sick leave. As of October 1, 1995, the maximum benefit for unused sick leave payment could not exceed \$7,500. Employees with previous sick leave at retirement benefits are not capped.

The district is commended for establishing a \$7,500 maximum per individual payment for unused sick leave.

Personal Leave

The following provisions for personal leave at full pay are for one year and unused days are not accumulative for use in another year.

1. Death in the immediate family (as defined)-an allowance of up to five leave days.
2. Illness in immediate family.
3. Two days for personal business.
4. Marriage (Items "2" and "4" cannot exceed a total of five days).
5. Written requests for attendance at meetings, conventions, and other professional activities require superintendent approval and cannot exceed four days per year.
6. Upon recommendation of the superintendent of schools, an extended leave of absence for one year may be granted to broaden a school administrator's professional background.

Salary Guides

Position	1999-00 Salary Guide Range
A- High School Principal	\$92,857 - \$104,439
B- Middle School Principal	\$90,246 - \$96,658
C- Elementary Principal	\$84,041 - \$92,948
D-Supervisors, VPs, AD, Guidance Coord.	\$79,169 - \$88,257
E-Substance Awareness Coordinator	\$63,839 - \$73,788
Teaching Supervisor	\$68,188 - \$80,544
Adult School/Community Director	\$53,322

According to the Comparative Spending Guide, March, 2000, the West Milford Township School District median administrators' salary in 1998-99 was \$87,187 with a ranking of 43rd (low to high) among 91 districts of similar size and type. In 1999-00, the \$90,132 median administrator salary ranked 48th, which was about average among comparable districts.

Fifteen administrative and supervisory personnel were contracted in 1999-00 to receive a total of \$23,175 in longevity payments, which ranged from \$625 to \$3,150 each.

Health Benefits

The district provides an insurance program of medical/surgical hospitalization, Rider J equivalent, major medical and dental protection (super composite coverage or equivalent). Any employee who voluntarily diminishes coverage is entitled to re-establish the insurance coverage during the next open enrollment period. The district also reimburses the necessary cost of coverage under COBRA benefits obtained by a spouse during the period prior to the next open enrollment opportunity.

An analysis of health benefits is presented in the Health Insurance section of this report.

Vacation

All 12-month employees are entitled to 28 days vacation, which under ordinary circumstances, may not be taken while school is in session. Employees entering the unit after July 1, 1995 receive 22 vacation days per year. However, employees in the unit who are promoted to high school principal, middle school principal or guidance coordinator may retain 28 vacation days.

High school vice principals, middle school principal and athletic director receive 14 vacation days.

Should an administrator be requested to forego all or part of his/her vacation time, he/she is entitled to receive pro rata reimbursement. Any unused vacation days (maximum five days per year) may be accumulated up to a total of 10 days with the superintendent's approval.

Professional Development

Attendance at least once every year at graduate courses, workshops and/or seminars is mandatory for unit administrators. Reimbursement for graduate credit tuition is provided up to a maximum

of 12 credits per year per employee. The district's liability is capped at \$16,000 in 1998-99 and 1999-2000. The district does not reimburse any courses/seminars, which are funded from other sources, such as National Science Foundation Grants, etc.

UNAFFILIATED CENTRAL OFFICE

The review team examined the contracts of the nine unaffiliated central office administrative and supervisory employees. As previously indicated, the overall numerical staffing and administrative salary levels are reasonable in relation to comparable districts. The contracts were negotiated individually with specific and unique provisions, although there were some common elements in many of them.

- Vacation - Most of the contracts stipulate 28 vacation days for 12-month employees, with 15 days that may be accrued from year to year. Two contracts provide for 20 to 24 vacation days and two contracts provide for payment annually for unused vacation days up to 10 and 15 days respectively.
- Payment for Unused Sick Leave - Six of the nine contracts provide at retirement for payment for unused sick leave days at \$75 per day. One contract specified payment at 50% per diem within a large CAP.
- Longevity - Four contracts provided for \$625 to \$1,000 longevity payments at either three (15, 20 & 25 years) or five (add 30 & 35 years) steps. One contract provided for a salary increase of 2.5% to 4.5% based upon evaluation results.
- Travel - About half of the contracts had provisions for \$200 per month for use of one's personal auto for business purposes. Other contracts had reimbursement based on a district-approved rate per mile for use of personal vehicles. Three contracts provided a district owned vehicle for the employee's use for business purposes.

Recommendations:

The district has established a \$7,500 CAP on payments to teachers at retirement for unused sick leave, effective September 1, 1985 and after. State employees have a \$15,000 CAP on unused sick leave payments. In order to reduce future financial obligations, the district should consider in future employment contracts a CAP in the range of \$7,500 to \$15,000 for payments for unused sick leave to unaffiliated administrative and supervisory personnel.

The review team observes that vacation days are generally designated for rest and relaxation to return to one's job with renewed energy and enthusiasm. Payments for vacation days should be made only on those occasions when district priorities necessitate the individual administrator to work on vacation days. In other words, payments for vacation days should be made when work conditions warrant, but not otherwise become an entitlement.

The 80 square miles of geographic area of the West Milford Township School District requires large amounts of travel between school facilities. Consequently, the present

contracted transportation arrangements in general appear to be designed to meet unique circumstances. The team acknowledges that provision of an automobile or monthly stipend may be part of an overall compensation package.

Different administrative and supervisory positions may require varying amounts of travel and consequently, in some cases, it may be more economical to provide a district-owned automobile. However, district officials should consider conducting an analysis of the miles traveled and relative costs associated with monthly stipends, provision of a car, or payment of a mileage rate for particular positions.

BUS DRIVERS ASSOCIATION

The three-year agreement with the West Milford Bus Drivers Association covers the period of July 1, 1999 through June 30, 2002. The 23-page document contains 18 articles and two schedules relative to the terms and conditions of employment of full-time, part-time and probationary school bus drivers.

Salaries

Contractual drivers have the option to elect a 12-month pay plan.

1999-00 School Bus Drivers Guide	
Classification	Salary (per hour)*
3 months – 2 years experience	\$15.42
Over 2 years experience	\$16.55
Weekend/Holiday trips	Time and one-half
Substitute driver	\$10.00
Probationary drivers	\$10.03

*Hours worked in excess of 8 hours on school days are paid at time and one-half.

Recommendation:

District officials should consider negotiating salary guides for the bus drivers with additional salary steps. Utilizing 1999-00 rates, a five-step guide, beginning at \$13.52 per hour for drivers with 0 to 2 years experience and using 6% increments for succeeding steps, would have realized savings of \$65,788 in regular and special education salaries. Additional savings would be realized in extracurricular and athletic transportation salaries.

Potential Cost Savings: \$65,788

West Milford bus drivers collected \$105,986 in overtime payments during 1999-00.

Longevity

Contractual drivers hired prior to February 1, 1993 receive a longevity payment as follows: 25 years - \$825; 20 years - \$725; 15 years - \$625; 10 years - \$500; 5 years - \$350.

Nineteen of 38 bus/van drivers received payments ranging from \$350 to \$825 and totaling \$10,500 in 1999-00.

Fringe Benefits

Employees who work beyond 20 hours per week are entitled to full family coverage for medical surgical, hospitalization, Rider J, major medical and dental protection. The deductible is \$200 for the individual or \$400 for the family. The board also provides Washington National Sickness and Accident coverage for each employee. Annual physical examinations are required and paid for by the district. The provision of payment of the \$3,300 maximum is also available to any driver laid off due to subcontracting of the driver's route. Each driver is also eligible to receive \$275 every two years for eye examinations and prescription eyeglasses. The district also pays costs for the criminal background review and the commercial drivers license process after the completion of the probationary period. Employees hired prior to February 1, 1993 are also eligible for a reimbursement of \$35 per unused sick day upon retirement to a maximum of \$3,300.

Recommendation:

District officials should consider negotiating the elimination of district payments for required Criminal History Background Checks and Commercial Drivers Licenses for drivers. Fingerprinting and driver's licenses are a condition of employment and should be the responsibility of the employee. Assuming that 25% of the drivers (including the supervisor, mechanics, substitutes and teachers with CDL's) per year required fingerprinting and licensing, a savings of approximately \$1,200 would be realized.

Potential Cost Savings: \$1,200

The district is commended for establishing a maximum individual payment for unused sick leave of \$3,300.

Sick Leave

Each employee receives 10 sick days annually. The days are cumulative.

Leaves

- Death in the immediate family – 5 days.
- Personal Business – 2 days

Work Year

The work year for bus drivers is 183 days. In addition to the 180-day student year, drivers have one day of orientation and two days in-service.

CAFETERIA WORKERS

The agreement with the West Milford Township Cafeteria Workers expired on June 30, 1999. The district and the association are currently negotiating a successor agreement. The provisions

of the 1996-1999 agreement are detailed below as they relate to productivity and/or financial implications.

Work Year

The minimum number of days for cafeteria personnel is 180 days. The district has the option of requiring employees to report for an orientation day and up to three in-service days. Managers and Cook Managers may be required to work three additional days at their hourly rate.

Longevity

Employees eligible for longevity as of June 30, 1999 receive payment as follows:

- \$200 @ 10 years;
- \$275 @ 15 years; and
- \$430 @ 20 years.

Medical Benefits

Employees who work more than 20 hours per week receive medical benefits with a \$200 individual deductible and a \$400 family deductible. The contracted 20-hour worker is also eligible for dental benefits.

An analysis of health benefits is presented in the Health Insurance section of this report.

Sick Leave

All employees are entitled to 10 sick days per year, which are cumulative. A retirement benefit of \$15 per accumulated sick day is available to employees hired prior to January 1, 1994. The maximum benefit is \$770 for those hired in the period July 1, 1985 to January 1, 1994 and \$880 to those employed prior to July 1, 1985.

The district is commended for establishing maximum benefits for individual payments for unused sick leave.

Personal Leave

Regular employees receive two personal days, two days illness in the immediate family and five days for death in the immediate family.

Uniform Allowance

During the 1998-99 school year, each employee was eligible for reimbursement of \$145 for work uniform purchase.

Salary Guide 1998-99

	Regular Workers	Assistant Cook Business Aide	Cook Manager High School Cook	Macopin Manager	High School Cook Manager
1 st year	\$9.85	\$11.79	\$13.92	\$14.49	\$14.49
2 nd year	\$10.41	\$12.11	\$14.13	\$14.75	\$14.75
After 2 nd year	\$11.34				

CUSTODIAL AND MAINTENANCE ASSOCIATION

The agreement with the West Milford Custodial and Maintenance Association and the Board of Education covers the three-year period of July 1, 1999 through June 30, 2002. The 39-page agreement applies to all of the district's custodians, maintenance workers, the messenger, mechanics, serviceman/mechanic helper, assistant head custodian, head custodian and security guard employees.

Wages and Hours

The workweek for all employees is 40 hours, Monday through Friday. Each eight and one-half hour day includes one-half hour of a duty-free uninterrupted lunch. Security personnel work 35 hours and may be scheduled Monday through Sunday. Overtime rates of time and one-half is paid for work in excess of eight hours and time worked on Saturdays. Double time is paid for work completed on Sundays and holidays. The contract specifies that full-time employees will be given preference on overtime assignments and further delineates assignments made for overtime at the high school and middle school. Employees receive three hours of pay for emergency "call-in."

Recommendation:

An additional factor driving custodial salary costs is overtime, which is primarily required weekend coverage for building usage by outside organizations and student extra-curricular activities. The total amount of overtime paid to custodians during the 1999-00 school year was \$135,308. Negotiating a Tuesday through Saturday shift, even if rotated among the building custodians, would save the district a conservative 75% of custodial overtime.

The district should consider negotiating a Tuesday through Saturday shift in those schools heavily utilized on weekends, thus saving approximately 75% in overtime expenditures.

Potential Cost Savings: \$101,481

Vacations and Holidays

New employees receive one day of vacation per month to a maximum of 10 days. All other employees receive vacation as follows:

- Less than five years - 10 days;
- Less than 10 years - 15 days; and
- 10 years - 20 days.

Employees hired after July 1, 1990 receive 20 days after completing 12 years of service. All employees receive 13 paid holidays per year.

Sick Days

All employees receive 12 days per contract year, which are cumulative. Absences of five days or more require a doctor's certification and the superintendent may request medical certification for frequent or habitual absence.

Personal Leave

Employees are entitled to non-cumulative personal leave of five days to include personal business, illness in the immediate family and marriage.

Death in the Immediate Family

Up to five days of leave for a death in the immediate family as defined.

Leaves of Absence

Employees are eligible for a leave of absence without pay for a period of up to one year. Requests must be in writing to the superintendent and must include the reason and length of the leave.

Insurance

An insurance program of medical-surgical hospitalization, Rider J, major medical and dental protection, covers all employees who work 20 hours or more. Each employee receives a prescription drug plan at a cost not to exceed \$144 per employee.

Employee Safety

The district provides four uniforms per employee per year and agrees to provide safety equipment and accessories to any employee working in hazardous locations or on hazardous equipment.

Employee Development

The district will pay the full cost of tuition and other reasonable expense for courses, workshops, seminars, conferences or in-service training that full-time employees are required to attend. Employees who wish to enroll on their own must receive prior approval and achieve a grade of "B" or better or a pass.

Schedule A - Compensation 1999-00

Custodians		
Level	Position	Salary
High School	Head Custodian	\$43,001
(220,000 sq. ft or higher)	Asst. Head Custodian (computer)	\$38,882
	Assistant Head Custodian	\$37,568
	2 nd Assistant Custodian	\$36,069
	Custodian (cafeteria)	\$32,189
Middle School	Head Custodian	\$39,193
(120,000 – 219,000 sq. ft)	Assistant Head Custodian	\$37,568
	2 nd Assistant Custodian	\$36,069
Elementary School	Head Custodian	\$37,694
(up to 120,000 sq. ft)	Assistant Head Custodian	\$32,214
All Schools	Custodian – Step 1	\$29,850
	Custodian – Step 2	\$29,578
	Custodian – Step 3	\$34,696
Maintenance		
Plumber – Heat/Ventilation Specialist – Carpenter – Electrician – Maintenance Equipment Spec.		
	Step 1	\$34,792
	Step 2	\$37,946
	Step 3	\$40,416
General Maintenance	Step 1	\$33,651
	Step 2	\$36,732
	Step 3	\$39,123

District salary and overtime costs in this area are \$.71 higher per square foot than the average determined by the ASU survey. One factor driving the costs is higher than average salaries per position. While the national average salary for head custodians in 2000-01 was \$35,800, salaries in West Milford were \$39,308 at the elementary schools, \$40,864 at the middle school and \$44,817 at the high school.

However, it should be acknowledged that according to the NJEA Research publication New Jersey Salaries and Salary Guides for Supportive School Personnel, 1998-99 Edition, the average salary for head custodian was \$36,105 in Sussex County and \$37,851 in Passaic County.

Transportation

Chief Mechanic - \$48,840; Mechanic (Class 1) - \$39,355; Mechanic (Class 2) - \$37,720; Mechanic (Class 3) - \$36,319; Serviceman/Mechanic Helper - \$34,696

Other Classifications:

Messenger - \$10.92/hr.
 Security Guard - \$25,000/year
 Substitute Custodian - \$10.00/hr.
 Probationary Employee - \$10.24/hr.
 Part-time - \$10.92/hr.

West Milford has established, through the negotiated agreement, the positions of assistant head custodian at each of the elementary schools and assistant head custodian and 2nd assistant head custodian at the middle and high schools.

Recommendation:

District officials should consider negotiating to eliminate the positions of assistant head custodian in the elementary schools, and the positions of 2nd assistant in the high school and middle school.

Potential Cost Savings: \$10,100

Longevity

The contract includes a detailed longevity plan that provides added remuneration for each full-time position as identified above. Part of the plan provides for employees hired prior to July 1, 1990. Incentives are provided as a percentage of the 1993-94 base salary as follows: 3 years–2%; 5 years–3%; 10 years–5%; 15 years–7%; 20 years–9%; 25 years–10%.

Employees hired after July 1, 1990 receive longevity payments of \$400 after 10 years and \$500 after 15, 20, 25, 30 and 35 years.

Twenty-seven custodial/maintenance persons received longevity payments ranging from \$500 to \$3,300 and totaling \$57,400 in 1999-00.

Stipends (1999-00)

1. Fireman's Certificate - \$150.
2. Maintenance (electrical, plumbing, heating/ventilation, carpentry, grounds) - \$575.
3. Vacuum Repair - \$450.
4. "Grandfathered" – certificate stipends - \$225.
5. Commercial driver's license - \$150.

Nine individuals received stipends averaging \$414 and totaling \$3,725.

Shift Schedules

Custodial and maintenance schedules are part of the negotiated agreement.

The school district is to be commended for its efforts in eliminating the following cost drivers from the Collective Bargaining Unit for custodial employees:

- **The elimination of the stipend of \$1,000 for Black Seal License for employees hired after July 1, 1998.**
- **Reducing the longevity payment for custodians to one payment of \$150 after 10 years of service.**
- **Requiring a valid driver's license for all custodial employees and assessing penalties for employees whose license privilege is rescinded for other than medical reasons.**

Recommendation:

The district through the negotiation process should attempt to gain more control in the assignment of work schedules. As indicated before, greater latitude in employee assignments will help reduce district overtime costs.

Negotiating a rotating shift of one general maintenance worker and one trade position to a Tuesday through Friday, 11 a.m. to 7:30 p.m. and Saturday, 7 a.m. to 3 p.m. shift would save an estimated 43% of maintenance overtime costs. (The shift formula data was taken from “Saving Operations Dollars”, an article written by Richard Lee and published in Building Construction Today, October, 1999.

Potential Cost Savings: \$13,875

EDUCATIONAL SECRETARIES ASSOCIATION

The association represents unit secretaries, building aides and the switchboard operator. It is affiliated with the West Milford Education Association. The current 20 page agreement covers the period July 1, 1997 through June 30, 2000.

Work Year/Calendar

Secretaries work 194 days per year (180 days are within the school year with an additional 14 days assigned by the immediate supervisor).

The building aides work 182 days while school is in session.

The switchboard operator is a 12-month employee. The employee receives 13 paid vacation days per year. Vacation entitlement is 13 days after one year of employment, 15 days after five years, 16 days after 8 years, 18 days after 10 years, 20 days after 15 years and 23 days after 20 years. Vacation days cannot carry over unless approved by the superintendent.

Sick Leave

Building aides receive 10 days per year, secretaries receive 12 days per year and the switchboard operator receives 14 days per year. Sick leave is cumulative. Secretaries and the switchboard operator, if hired prior to July 1, 1985, were entitled to receive upon retirement \$44 per sick day in 1999-00.

Personal Leave

Secretaries and the switchboard operator are entitled to five days of non-cumulative personal leave. The days may be used for illness in the immediate family or personal business (two days), which must be pre-approved. Provision is also made for marriage leave. Five days are granted for death in the immediate family and there is provision for absence in order to attend certain specified legal proceedings.

Building aides receive one non-cumulative personal day per year. They also are granted four days for death in the immediate family and one day for family illness.

Employee Development

The board pays for expenses associated with required attendance at any course, workshop, seminar, conference or in-service training session. Employees are also eligible for expenses incurred for pre-approved courses, seminars, workshops, conferences or training sessions which enhance the operation of the office of the employee or the school operation in general.

Wages and Hours

Secretaries work 35 hours per week at seven hours per day, Monday through Friday. If overtime is required, they receive straight time or compensatory time up to 40 hours and time and one-half thereafter.

The switchboard operator works 37.5 hours per week at seven and one-half hours per day, Monday through Friday. Overtime compensation is straight time up to 40 hours and time and one-half beyond 40 hours. Secretaries and the switchboard operator receive double time for work performed on a recognized holiday or a Sunday.

Schedule A – Compensation/Benefits 1999-00

General Secretary/Switchboard Operator Salary * \$29,008

*Entry level – 1st year = -\$2,000

2nd year = -\$1,000

3rd year = on guide

Building Aide

Step 1 - \$12.10 hr.

Step 2 - \$12.60 hr.

Step 3 - \$13.16 hr.

Longevity

Employees hired prior to July 1, 1991 are eligible for longevity payments as indicated below:

Years of Employment	Secretaries/Switchboard	Building Aides
After 10 years	\$350	\$175
After 15 years	\$700	\$350
After 20 years	\$1,050	\$525

Nineteen secretarial and aide persons received stipends, which averaged \$626 and totaled \$11,900 in 1999-00.

Insurance

The district provides medical-surgical hospitalization, major medical and dental protection for all full-time employees (more than 20 hours per week). A deductible of \$200 for the individual or \$400 per family for major medical is required.

The board and the association have agreed that any increased cost associated with this provision over 15% (from the prior year) will be reflected in subsequent contracts.

TEACHER ASSISTANT ASSOCIATION

The West Milford Teacher Assistant Association is affiliated with the West Milford Education Association and represents non-certified employees in the category of special class aides. The 12-page document covers the 1997-98, 1998-99 and 1999-00 school years.

Work Schedule

The work year for these hourly employees is 183 days. They are paid for an additional 15 minutes at the beginning and end of their assigned schedule.

Sick Leave

All employees receive 10 sick days per year and the days are cumulative.

Personal Leave

All employees receive two personal days, one illness in the family day and four days for death in the immediate family.

Insurance

Employees (full-time) who work 20 hours or more per week receive medical-surgical insurance, Rider J, major medical and dental protection for themselves and their dependents.

An analysis of health benefits is presented in the Health Insurance section of this report.

Salary Guide – Special Class Aides	
Years/Experience	1999-00
1	\$12.55
2	\$13.66
3	\$14.83
4	\$15.95
5	\$16.66

UNAFFILIATED SECRETARIES

The agreement with the West Milford Unaffiliated Secretaries covers the period July 1, 1997 through June 30, 2000. The 17-page document reflects the terms and conditions of employment of the secretary to the superintendent, secretary to the assistant superintendent, secretary to the business manager/board secretary, head accounting clerk, as well as other positions.

Salary

Unaffiliated Secretaries Salary Schedule 1999-00	
Position	Salary
Secretary to the Superintendent	\$47,859
Secretary to the Assistant Superintendent	\$42,909
Secretary to the Board Sect./Business Admin.	\$42,909
Head Accounting Clerk	\$44,776
Other Positions	\$39,843

New Hires

New employees to the unaffiliated staff will be paid as indicated under the above stated salary for the position. There is also a 90-day probationary period for each new person in a position.

1 st year	-\$5,000	4 th year	-\$2,000
2 nd year	-\$4,000	5 th year	-\$1,000
3 rd year	-\$3,000	6 th year	on guide for position

Sick Schedule

Employees are entitled to 14 sick days per year. The days are cumulative from year to year. Employees will receive \$75 for unused sick days at retirement if employed prior to July 1, 1985 (no limit). If hired after the above date, the maximum benefit is \$7,500.

The district is commended for establishing a \$7,500 maximum individual payment for unused sick leave, effective in July 1985 and thereafter.

Holidays

Employees receive 13 paid holidays each year.

Personal Leave

Employees are entitled to five personal leave days each year. Days may be used for illness in the immediate family, religious holidays, personal business (maximum of two days) and marriage. Five days of leave are granted for death in the immediate family.

Vacation Days

Employees hired prior to July 1, 1997 receive vacation time as follows:

1 year	12 days	15-20 years	22 days
2-5 years	13 days	21 years	23 days
5-10 years	16 days	22 years	24 days
10-15 years	19 days	23 years	25 days*

*One additional day is given for each additional year to a maximum of 30 days vacation.

Employees hired after July 1, 1997 receive the following paid vacation time: after one year – 10 days; after 5 years – 15 days; after 10 years – 17 days; after 15 years – 19 days; after 20 years – 20 days.

Tuition Reimbursement

Employees are reimbursed for tuition and reasonable expenses incurred for taking any course, workshop, seminar, conference or in-service training session they are required to attend. In addition, employees may also request reimbursement if they wish to attend any course, workshop, seminar, conference or in-service training session that, in the view of the employer, will enhance the operation of the office or the school operation in general. Their immediate supervisor and the superintendent must approve the request.

Health Benefits

Full-time employees and their dependents are eligible to receive medical-surgical, hospitalization, and major medical, dental protection (super composite) and a prescription drug plan (\$2.00 co-pay). They are also eligible for \$275 reimbursement every two years for optical examinations and eyeglasses.

An analysis of health benefits is presented in the Health Insurance section of this report.

Longevity

Employees hired prior to July 1, 1991 receive a \$500 longevity payment for 15, 20, 25, 30 and 35 years of experience. For 40 and 45 years of experience, \$350 is granted for experience within the district and to employees presently receiving longevity under existing practice.

Three employees received longevity payments of \$500 to \$1,500 and totaling \$3,500 in 1999-00.

Hours of Work

Regular hours of employment are 35 hours per week at seven hours per day, Monday through Friday. Overtime pay is given for additional work up to 40 hours at straight time. Hours in excess of 40 are compensated at time and one-half. Work on Sunday or holidays is compensated at double time. On days in which schools are closed for snow or emergency the working hours are 10:00 a.m. to 3:00 p.m.

Health Benefits

The district currently offers full health insurance coverage for all employees who work a minimum of 20 hours per week. The district offers an employee choice between a traditional plan and a point of service (POS) plan. Both of these plans have some level of prescription drug coverage built into the medical coverage. In addition, the district has a separate prescription plan for the main office employees. All employees eligible for health insurance can enroll in a district provided dental insurance program. District employees currently do not pay any out of pocket premiums for health insurance.

An analysis of the district's current coverage reveals that there would be substantial potential savings if the district were able to negotiate employee co-payments. By having district employees pay for 20% of the cost for dependent coverage in medical insurance, the district could save approximately \$200,000 per year. Additionally, if the district could negotiate a 50%

employee co-pay for dental insurance, the savings to the district would be approximately \$158,000 per year. A negotiated 50% employee co-payment on the prescription drug plan for the central office employees would save the district approximately \$11,500 per year.

Recommendation:

By negotiating each of the above mentioned employee co-payments, the potential total savings for the district would be \$369,500 annually.

Potential Cost Savings: \$369,500

IV. SHARED SERVICES

Tremendous potential for cost savings and operational efficiencies exists through the implementation of shared, cooperative services between local government entities. In every review, Local Government Budget Review strives to identify and quantify the existing and potential efficiencies available through the collaborative efforts of local officials in service delivery in an effort to highlight shared services already in place and opportunities for their implementation.

Consortia

The district participated in a Passaic County Consortium for a grant application for \$162,315 to fund a project entitled “Technology Literacy Challenge Fund-County Coordinated Services” for the establishment of a countywide Interactive Television Network.

The district contracts with the Essex County Educational Services Commission to provide non-public nursing and auxiliary services. There are also joint agreements with the Passaic County Educational Services Commission and the Sussex County Regional Cooperative for the transportation of special education students. The district sends shared-time students to Morris County and to Passaic County Vocational Technical Schools. The district also entered an agreement with the Passaic County ETTC to administer the Nonpublic School Technology Initiative Program. The district purchases natural gas, oil diesel fuel, unleaded gasoline and trucks through the Passaic County Cooperative. A partnership was established with Passaic County Community College for participation in the Technical Preparation Consortium for 2000-01.

In April, 1999, the district entered into a cooperative pricing agreement for the purchase of electricity at discounted rates. The district has capitalized on deregulation of natural gas and electricity by cooperatively purchasing these commodities from third party suppliers. The savings for gas have been as high as \$36,000 annually. The district has also joined ACES, a statewide electricity purchase cooperative, and has received competitive rates for district buildings in the GPU area. This is a new program and savings have not yet been calculated.

Through a well-planned and efficiently executed system directed by the business administrator, purchase orders per bids were approved for Educational Data Services, Inc. (Essex, Hudson, Passaic Cooperative Bidding) for \$270,000 in general supplies, instructional supplies and building services supplies. Based upon review team experience in other districts, the estimated net savings are about \$60,000 per year.

School Districts

West Milford provides special education programs and services for students from other districts on a tuition basis. Over the past four years, they have received students with disabilities from as many as 13 different school districts in three counties. In order to provide students with the occupational therapy services they require as part of their educational programs, West Milford joins with other districts in utilizing services through the Passaic County Educational Services

Commission. In addition, they have sent students to districts in four counties, as well. Each year a number of special education students spend half the school day at Morris County Vocational-Technical School and the remainder of their day at West Milford High School.

The West Milford School District has worked with county agencies and other districts to coordinate jointures for both summer and regular year transportation. Some summer runs for an extended school year require aides and are therefore expensive. West Milford School District, which is located somewhat remotely, has numerous joint agreements with individual school districts, including Bloomingdale, Kinnelon, Pequannock, Pompton Lakes, Ringwood, Wanaque, Ramapo/Indian Hills, Lakeland Regional, Vernon, etc., for the transportation of special education students. Joining with other districts for transportation has saved West Milford more than \$80,000 during the past year.

Little League Proposal

The Little League has proposed a capital improvement project for Howard Field. The initial agreement asked that the school district finance the purchase of a scoreboard and backstop. Additionally, Little League was asking that the board limit expanded use of the field. Given the state of the budget, the business administrator expressed the potential concern with funding. Subsequently, Little League arranged for sponsorship of the scoreboard. The request for limiting the use of the field is under review. The league would like to start installing the lights as soon as possible.

Jointure Transportation

The district has worked with regional districts to coordinate jointures for the summer and regular year transportation. Some summer runs for extended school year require aides. The department will provide this transportation for the summer and contract the work for the start of the school year. Joining with other districts for pupil transportation saved West Milford more than \$80,000 in FY 2000.

West Milford Township

The district opens its fields and facilities to the township for recreational programs at times when the schools are not using them. The 1999-00 Interlocal Service Agreement covers the use of the athletic field(s) at seven of the public schools and the tennis courts at the middle school by the township's parks and recreation department (PRD). The PRD is responsible for establishing and maintaining a calendar of events and for lining and grooming of the athletic fields, including dragging, raking, etc., for township scheduled activities. The township pays for electric energy charges for the lights installed at the Macopin tennis courts and at the athletic fields at Marshall Hill School. The police department patrols not only the fields and tennis courts, but all school buildings and properties. The school district also rents the Hillcrest School to the township for \$1 per year primarily for use by the parks and recreation department. Secondary uses of these district facilities are granted to school sponsored groups, such as the PTAs, Booster Club, Band Parents, local Lions Club, and any other township organizations raising scholarship funds or other funds for the direct benefit of local students.

Additionally, both public bodies share some equipment and services. For example, the department of public works paints road signs, and lines on district roads. They have loaned the

school district mowing machines for grounds maintenance and heavy equipment for grading parking lots. The township donated two three-phase generators, which run very well, to the district. By mounting these units on trailers, district operations personnel can transport the unit(s) to locations where they are needed in the event of an emergency. The township has expressed interest in a school district surplus photocopier, which was listed in the most recent surplus sale, but no bids were received.

Recommendation:

The West Milford Township School District and the township are commended for having an interlocal service agreement setting the terms and conditions for the use of district owned athletic fields and the Macopin tennis courts by the township's parks and recreation department. The respective parties are encouraged to continue to explore the potential for cost savings and operational efficiencies which may exist through the implementation of shared, cooperative services between local governmental entities.

In addition to savings to be realized by joining services, there are relatively new state programs designed to encourage and reward local governmental units and their taxpayers for regionalizing, sharing and joining services with other units of local government. P. L. 1999, Chapter 60 was signed into law by Governor Whitman to provide aid to local units of government, including school districts, to study regionalization and shared and consolidated services. A school district that plans to study or implement a regional service agreement may apply for a grant and/or loan to study regional service or consolidation opportunities and to fund one-time start-up costs of regional or consolidated services by visiting the DOE Website at: <http://www.state.nj.us.njded/grants/redi.htm> or by calling the DOE at 609-633-2454. District officials are encouraged to continue to explore additional areas where shared services would be cost effective for the school district and the municipalities.

V. STATUTORY AND REGULATORY REFORM

It is not uncommon for local officials to attribute high costs and increased taxes in part to “state mandates.” The fifth and final section of the report, Statutory and Regulatory Reform, identifies state mandates cited by local officials as impeding efficient and cost-effective operations. Issues raised in this section can often be addressed only through changes in statute, code, or procedural rules and regulations.

All board of education members and key administrators were interviewed and given the opportunity to express their concerns regarding the various regulations that impact the public schools. District officials provided the following written summary of the most frequently expressed concerns.

The state mandates many services but doesn’t provide funds to support most of the programs. The mandatory long-range facility plan (LRFP) represents the most recent example of this inequity. Modifications to the plan represent a major change requiring the assistance of architectural and engineering professionals. The timeline providing less than 10 weeks to complete the plan has put upward pressure on limited resources. West Milford received several proposals and awarded a contract for \$54,000 to complete the plan. This is clearly a mandated program with no sign of funding from the state.

Furthermore, in a district like West Milford with limited per pupil property valuations, the relatively low level of state financial support results in relatively high property taxes. The state should fund 50% of the statewide cost of public education. This is standard in many other states. There is also concern about the method of calculation for state financial aid and the annual uncertainty about the amount of financial assistance the district will receive.

The new CEIFA formula for school funding bases aid on the district’s ability to pay or district wealth. Income and equalized property values determine wealth or ability to pay. West Milford recently faced an \$814,000 reduction in state aid due to the use of questionable income numbers in the formula. Indeed, the income numbers were changed and the aid reinstated. To ensure confidence in the income data, we suggest an independent audit review of the data used to calculate the wealth component of the core curriculum standards aid formula.

However, local officials approve of the new state statute for partial (40%) funding for school construction in districts like West Milford. This will be about double the recent rate of funding for debt service for West Milford. The provision of retroactive funding for construction projects back to September 1, 1998 was also appreciated. Unfortunately, the strict eligibility criteria precluded the district’s completed projects from receiving funding.

Special education expenditures are very high and the state and federal reimbursements amount to less than 25% of the actual costs. Special education regulations, processes and requirements keep driving the costs higher. One clear inconsistency is a district’s inability to file for attorneys’ fees in the face of baseless lawsuits. The district recently settled a suit filed by the parents of a special education student. The settlement was viewed as capitulation and the district

lost a suit filed by the parents for attorney fees. The law prevents districts from stipulating a prohibition for plaintiffs to pursue fees in a settlement agreement. Certainly, when a district compromises in the interest of the child, it should not be subject to attorneys' fees.

Concern was expressed about the effectiveness of the state workers' compensation program. After a bad experience, the district went to a pooled insurance program with a private carrier.

Local school officials expressed reservations about the reliability of the state testing services. Also, the tests occupy a large amount of instructional time. The test results are not returned for four months or more, which complicates the planning and scheduling for remediation.

Concern was expressed about the bidding process and the limited number of bids that are received for local projects, services, etc.

A desire was expressed for more local leeway in the uses for school buildings. Reportedly, it can take three years or more for the paperwork to be filed and approved for a change in structure and usage. It is believed that the state regulations regarding school facilities are too restrictive and inflexible.

Some individuals question the wisdom of blocking out three hours a week for foreign language instruction in the elementary schools.

LOCAL GOVERNMENT BUDGET REVIEW ACKNOWLEDGMENTS

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